

The complaint

Ms D complains that HSBC UK Bank Plc failed to add a reference number to a transfer of £5,000 from her account to her husband's account which was held with a different provider this led to the funds not arriving.

Ms D is also unhappy with issues that she was having using her debit card whilst abroad.

What happened

In December 2022 Ms D attempted to send £5,000 to her husband's account in Jordan. When making this transfer Ms D asked for a specific reference to be added to the transfer. Due to an error on HSBC's part, this reference was not added. Therefore, the transfer was rejected by the receiving bank.

The funds were due to be used by Ms D on a family holiday that was due to take place at the end of January 2023. But the funds were not returned to her until March 2023.

In addition to this Ms D was having issues with her debit card and online banking, whilst on the holiday she says she was unable to use the card. She contacted HSBC on a number of occasions before a work around was reached.

Ms D says that these issues combined ruined her holiday as she was unable to pay for things and that she had to borrow money from a third party.

HSBC initially offered £200 compensation for this matter, after one of our adjudicator's looked into this matter this offer was increased to £400. Ms D did not accept this and says that she should be compensated £2,000. So this case has been passed to me to issue a decision.

What I've decided – and why

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

It is clear that HSBC made errors in relation to this matter - both by not adding the reference to the initial transfer, and by giving incorrect information in how to resolve the debit card and online banking issues. Both parties agree that this is the case. So all that remains for me to consider is what level of compensation is appropriate. Deciding on awards for distress and inconvenience is seldom straightforward. The issues involved are subjective by their very nature and the impact on the consumer can be difficult to determine.

I also need to factor in that Ms D chose to travel knowing she did not have access to the £5,000 that was still in limbo and knowing that she was having issues in relation to her online banking and that she was unsure of what her pin number was too. I also think it would be reasonable to expect someone to take more than one means of payment when travelling abroad given the potentially difficult circumstances that would arise if a method of payment failed. I'm not blaming Ms D for only taking one method of payment, that of course was her choice to make. But I need to consider this when deciding how much to award as I don't think it would be fair to hold HSBC wholly responsible for Ms D being unable to do all she wanted to do whilst on holiday.

I also need to consider that the cause of the online banking and debit card issues stem from Ms D seeming to change her phone number and not entering her pin number correctly, resulting in her card being blocked. So I can't hold HSBC responsible for these issues.

I note that Ms D was given incorrect information in how to resolve these issues whilst abroad. But from what I can see, I don't think that they could have been completely solved by HSBC whilst Ms D was abroad. HSBC did eventually manage to find a solution whereby Ms D transferred funds to a third-party money transfer service to allow her to have access to cash whilst abroad.

So I am satisfied that HSBC did all that it could in the circumstances, given that Ms D did not know her pin number to allow her to have access to cash while she was abroad.

Having considered everything, I understand the distress this matter obviously caused Ms D. But I have to be mindful that some of the issues were not directly caused by HSBC. So overall, I uphold this am satisfied that the £400 that HSBC have agreed to pay is in line with what I would have recommended, had it not already agreed to do so.

My final decision

For reasons explained above, I uphold this complaint and I require HSBC UK Bank Plc to pay Ms D a total of £400 compensation, minus any amount already paid to her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms D to accept or reject my decision before 20 September 2023.

Charlie Newton
Ombudsman