

## **The complaint**

Mr and Mrs B complain that HSBC UK Bank Plc treated them unfairly in relation to payments they made.

The account in question is a joint account, however, for the ease of read I will mostly refer to Mr B in this decision, because he's communicated with us about the complaint.

## **What happened**

Mr B bought a vintage photograph from an overseas auction house in 2022. He paid for this using a bank transfer from the joint account. Soon afterwards, Mr B noticed the photograph had started to fade, so he contacted HSBC to see if he could get his money back.

HSBC refused to process a chargeback and other payment claim, explaining this only applied to payments made by debit and credit card, and Mr B had paid for the picture by bank transfer. Mr B wasn't happy, so he raised a complaint. He was concerned HSBC didn't make it clear that if you made a payment by bank transfer you wouldn't have any rights should something go wrong. He said, many auction places insisted on payment by bank transfer and didn't accept cards. Overall, he believed there was an imbalance in providing protection and warnings, which was to the detriment of the customer. He felt banks deliberately pushed customers towards transfers to protect themselves from risk.

Mr B wanted HSBC to refund him, however, the bank declined.

One of our investigators took a look into what happened but she didn't recommend that the complaint be upheld. She explained there wasn't an obligation on HSBC to warn customers about the lack of consumer protection for bank transfers. However, Mr B disagreed and asked that the complaint be referred to an ombudsman. In doing so, he made the following points. In summary:

- A bank transfer wasn't the only option. The auction house could receive credit card payments but because of the fees, this acted as a disincentive for them to go down this route. This spoke to his point that banks encourage customers to use bank transfers instead.
- Fraud and scams risks are thoroughly interrogated by banks. Why don't they follow a similar procedure for other forms of risk, such as, when something goes wrong in relation to a purchase.
- One of HSBC's own staff members had admitted that not setting out the risks of bank transfers was unfair. This should be considered.

## **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's clear Mr B feels strongly about what's happened. He's made a detailed submission in

support of his complaint, which I have read and considered. I hope the fact that I do not respond in a similar manner will not be taken as a discourtesy; as an informal dispute resolution service, we are tasked with reaching a fair and reasonable conclusion with the minimum of formality. In doing so, it is not necessary for me to respond to every point made, but to concentrate on the crux of the issue. The relevant question is, did the bank do something wrong?

It's not in dispute that the type of assistance available through chargeback and the section 75 mechanisms didn't apply, because a bank transfer was used. Instead, the basis for Mr B's complaint is that he considers there should be an onus or responsibility on a bank to warn customers that, there is a lack of protection if they pay using a transfer. He's cited his reasons for this.

All the points Mr B makes may be worthy of changes to regulation and good industry practice in the future. But at the point the transfer was executed there was no such expectation on the bank to provide this warning or promote other forms of payment. Had Mr B called HSBC before making the payment and discussed what he was planning to do, and it had omitted to give him information or misled him in some way, I might be reaching a different conclusion. But no such interaction took place.

I've considered the comments made by the staff member, but these don't change the outcome. Because as I've explained, I'm satisfied HSBC didn't make a mistake.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Mrs B to accept or reject my decision before 9 November 2023.

Sarita Taylor  
**Ombudsman**