

The complaint

Mrs D complains that HSBC UK Bank Plc provided poor service when she was trying to recover funds sent to an incorrect account.

What happened

In June 2022, Mrs D used her HSBC banking app to request a balance transfer from her HSBC credit card to another credit card she holds with a different lender. HSBC accepted this request, but by July 2022 the funds hadn't appeared in her other account.

Mrs D subsequently realised she'd entered the wrong account details into the app, resulting in a payment of almost £5,000 being sent to an incorrect recipient. She asked HSBC to contact the recipient bank urgently to recover the payment.

HSBC didn't submit the recall request until August 2022. And when it didn't receive a response from the recipient bank, it closed the case as "non recovery" in September 2022. It later transpired that the recipient bank had contacted its account holder, but they didn't respond and later closed their account.

Mrs D complained that the delay in HSBC taking action significantly reduced her chances of recovering the money. HSBC acknowledges that its service fell short of what she could reasonably expect, and it paid £150 compensation into Mrs D's account. But Mrs D didn't think this went far enough to put things right, so she brought her complaint to our service.

Our Investigator agreed that HSBC should've actioned the recall request sooner and Mrs D should've received accurate updates on the status of the request throughout – which didn't happen. But she was satisfied the compensation paid was in line with what we'd expect, and she didn't think HSBC needed to do more.

As Mrs D didn't agree, the complaint has been passed to me to decide.

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 not in dispute that Mrs D made and authorised the balance transfer request to move approximately £5,000 from her HSBC credit card. I appreciate Mrs D made a mistake when inputting the recipient account's details, but this isn't something I can fairly hold HSBC responsible for as it was acting on her instructions.

Mrs D says HSBC's slow reaction reduced the chances of her money being recovered. But I don't agree, and I'll explain why.

HSBC weren't notified of Mrs D's mistake until over three weeks after the payment had been made. It's accepted that HSBC caused a further delay of four weeks before submitting the

recall request to the recipient bank. But when it did, it wasn't able to recover the funds as the recipient didn't cooperate and return them.

I'm persuaded that had the recall request been submitted in July 2022, when it should've been, the outcome would've been the same. I say this because in order to recover the funds, HSBC and the recipient bank would've always required the cooperation of the recipient of the funds. And I don't think the recipient would've agreed to return the money after three weeks, when they weren't prepared to after seven weeks. I think the recipient's answer was always going to be that they wouldn't return the money.

But HSBC's service did fall short of what I'd expect, and I've no doubt these delays and lack of updates would've caused distress and inconvenience to Mrs D at a time when she was already worried that she'd lost a lot of money. So it's right that compensation is paid and I'm satisfied £150 is fair in the circumstances of this complaint based on the length of the delays and the impact this would've had.

As HSBC has paid compensation to that effect, I don't find that it needs to do anything more.

My final decision

For the reasons I've explained, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs D to accept or reject my decision before 21 September 2023.

Sheryl Sibley
Ombudsman