

The complaint

Mr R complains that HSBC UK Bank Plc (“HSBC”) blocked two money transfers.

What happened

Mr R had a bank account with HSBC. In mid-June 2023 Mr R logged onto his mobile app and tried to transfer £1,000 from his HSBC account to an external account also in his name.

The payment was flagged for additional security checks by HSBC. Mr R initially contacted HSBC using its chat facility, and then phoned HSBC at its request. The security checks were completed, and the money was transferred on the same day. Mr R said he told HSBC that he intended to complete a similar transaction the following day. Mr R also complained to HSBC.

Mr R then tried to transfer £1,100 out of his HSBC account the following day. HSBC also flagged this payment for security checks. When it didn't hear from Mr R in relation to this second payment it sent him a message to let him know this second payment was stopped by its fraud team.

HSBC responded to Mr R's complaint and provided an outline of when and why its fraud team might be alerted, about the random security checks carried out and what might be likely to have triggered these. It confirmed the first payment was released on the same day it was made.

Mr R remained unhappy and referred his complaint to this Service. Mr R said HSBC failed to act on his instructions on two occasions and lied when it said he hadn't contacted it. Mr R said he'd told HSBC in advance that a second payment would be made by him the following day. Mr R asked for £250 compensation.

Our Investigator didn't uphold Mr R's complaint. She said that although she understood the inconvenience caused to Mr R, HSBC carried out security checks to protect both consumers and itself. Our Investigator said it's not for this Service to tell a bank how to operate its fraud prevention systems.

Mr R didn't agree with what our Investigator said, so this came to me for 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.

I understand that Mr R's circumstances at the time meant that it was inconvenient for him to have to contact HSBC so that it could complete the additional security checks on the amounts he was trying to transfer to another account in his name. However, HSBC are obliged by the regulator to have security measures in place to safeguard it and its consumers. The approach this Service takes is that we will rarely interfere with reasonable security measures put in place by businesses.

I can see that when Mr R's first transfer was flagged by HSBC, it sent him a message on the same day and asked him to contact it on the phone number provided. And once Mr R had contacted HSBC and provided the information requested, the payment was released without delay. So I'm satisfied that HSBC acted quickly to deal with this matter for Mr R, once it had flagged the payment for additional security checks.

Mr R's second transfer the following day was also flagged for additional security checks, which Mr R said shouldn't have happened as he told HSBC the day before that he would be making this payment. However, a consumer forewarning a bank about a future payment doesn't mean that payment will be flagged as safe. It will be processed in the usual way by the bank and can still be flagged for additional checks by the fraud team. And this is what happened here. As I said, I won't interfere with these reasonable security checks put in place by banks.

HSBC said it tried to contact Mr R by phone to discuss this second flagged payment but was unable to reach him. I can see that Mr R did contact HSBC via its chat facility, but he was told that this particular team were unable to help and that he should call the team responsible for putting the block in place. While I think it would have been helpful for HSBC to provide Mr R with a number for the fraud team at this stage, I can see that he had been provided with the contact number the previous day and so would have known who to contact to sort this matter out.

Later that evening Mr R received a message from HSBC telling him that as he hadn't made contact about the payment, HSBC had taken the decision to cancel it. While this certainly caused inconvenience for Mr R, I don't think HSBC acted unfairly here and, as I said, I won't interfere with reasonable security measures put in place to safeguard all parties.

I know that Mr R thinks the message sent to him on the second day was sent in error, as it makes reference to him not contacting HSBC when he had made contact several times the previous day, and several times that day using the chat facility. However I don't think this message was sent in error as, from what I can see, it is referring only to the second payment and to Mr R not contacting the fraud team in relation to the second payment, and not the first.

I know my decision will disappoint Mr R, but I am not asking HSBC to take any further action here.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 25 January 2024.

Martina Ryan
Ombudsman