

The complaint

Mr S complains about problems using his HSBC UK Bank Plc bank card when making purchases with an online retailer.

What happened

Mr S has used his HSBC debit card to complete purchases with an online retailer (A) over the years. But last summer Mr S received an error message when he attempted to use his HSBC debit card to complete a purchase with A. Mr S contacted both A and HSBC to find out why his payments weren't being approved. A told Mr S that HSBC had declined the payments. But HSBC says there's no trace of any payment requests being received from A then declined.

Mr S complained to HSBC in December 2022 and it issued a final response. HSBC reiterated that it hadn't received any payment requests from A that were subsequently declined.

Mr S referred his complaint to this service and provided evidence of his communications with A. Mr S forwarded a message from A that said he should ask HSBC to add it to its Multi Factor Authentication (MFA) exceptions list to allow payments to go through. Mr S asked HSBC to update his account in line with A's advice, but it said the request wasn't something it could do.

Our investigator thought HSBC had dealt with Mr S' complaint fairly and was satisfied no payment requests had been received from A then declined. The investigator also said we couldn't tell HSBC how to operate. Mr S sent us a lot of evidence to show his communications with A and that he'd been unable to resolve the payment issue with either party. As Mr S asked to appeal, his complaint has been passed to me to make a decision. Mr S has also forwarded evidence of more recent attempts to use his HSBC debit card to make purchases with A that have been unsuccessful.

I recently contacted HSBC and asked whether it operates an MFA list and, if so, whether it's possible to add A to it. HSBC responded and confirmed it doesn't currently operate an MFA list in this way but that there may be plans to introduce it in the future.

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'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

I can understand why Mr S is unhappy that despite attempting to resolve the payment issues he's experienced with both HSBC and A he's been unable to find the cause. I can see that both businesses have told Mr S the problem lies with the other. But in this decision, I can only look at HSBC's actions and whether it's treated Mr S fairly. My findings will focus on how HSBC has handled Mr S' queries and whether it's failed to correctly process payment requests from A.

Mr S has confirmed that he was previously able to use his HSBC debit card with A to carry out purchases but in July 2022 it stopped working. So I think it's fair to say HSBC was previously able to process the payments Mr S made to A. And Mr S has confirmed that his debit card remains operational in terms of making online and in person purchases to other businesses. In my view, this reinforces HSBC's claim that it hasn't placed any barriers to making payments with Mr S' debit card or that it's made changes to the way it operates.

When a merchant processes a card payment, it issues a request for funds from the debit card provider. In this case, HSBC has confirmed it's searched its records but has been unable to find payment requests from A that were then declined during the period Mr S complained about. As a result, when HSBC issued its final response it explained that it had no record of receiving any transactions from A and declining them. I appreciate that doesn't match up with what A has told Mr S, but there's no record of HSBC receiving the debit card payment requests in question.

I think it's fair to add that Mr S' HSBC statements show he has been able to make payments to A during the period in question. There are card payments made to A in the months after the problems were first encountered in the summer of 2022. So it appears to me that HSBC can and does approve payments to A when the requests are received. In my view, this supports HSBC's claim that the other payments Mr S tried to make to A weren't received so couldn't be approved.

I'm very sorry to disappoint Mr S, but as the available information doesn't show HSBC received payment requests from A that were then declined, I'm unable to say it's acted unfairly or made mistakes.

Mr S has asked about a reject code he was given by A. But as there's no evidence that HSBC received payments requests, it's unable to say why the payments Mr S tried to make weren't successful. In addition, Mr S has queried whether it's possible to add A to HSBC's MFA list. I recently contacted HSBC to query this point and it's confirmed that's not something it's able to do. Again, I appreciate this may feel unsatisfactory in terms of an answer for Mr S. But we can't tell a business how to operate its payment systems, including whether to maintain an MFA list that customers can add merchants to. HSBC's recent response advised it may look to introduce the process in the future.

Mr S has recently sent us evidence that shows payments he attempted to make in May and June 2023 have been declined at a different stage. I can see that the transactions progressed to the point where Mr S was able to obtain a One Time Passcode but that payments were ultimately unsuccessful. The more recent payments reached a different stage before being declined and were attempted several months after Mr S referred his complaint to us. Whilst I appreciate the issue feels related, HSBC hasn't looked into why they were declined. And given the payments were declined at a different stage, following receipt of a One Time Passcode, I haven't been persuaded the issue is necessarily connected. Mr S has the option of contacting HSBC to ask it to look into the more recent payments he's attempted to make.

I'm sorry to disappoint Mr S but as I'm satisfied HSBC dealt with his complaint fairly, I'm not telling it to take any further action.

My final decision

My decision is that I don't uphold Mr S' complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 6 September 2023.

Marco Manente
Ombudsman