

The complaint

Miss M complained about the amount of compensation which HSBC paid her, for customer service. HSBC paid her £176.23, but Miss M wants £500.

What happened

Miss M had a Global Money Account with HSBC. In late July 2023, she saw that her balance was lower than she'd expected. She contacted HSBC.

Miss M had to speak to multiple advisers about this, which took a long time. She couldn't get an answer either by chat or phone. Miss M disputed a £106.23 payment which debited her account on 25 July. She complained.

It eventually turned out that what had happened was that Miss M had authorised a £319.69 payment to an airline on 29 January. This payment didn't debit her account at the time.

Two part-payments to the airline, both for a third of the total, £106.23, had then debited Miss M's account on 2 February. They had the same reference number as the authorisation for the £319.69 payment in January. Miss M didn't dispute these February payments, but she disputed the £106.23 July payment. The July payment had the same reference number as the original January authorisation and the two February payments.

In HSBC's final response to Miss M's complaint, it apologised that multiple agents hadn't identified that the 25 July debit was the airline transaction. It said that to put things right, it would pay her £70 compensation, and it would also credit her with the £106.23 disputed transaction, making a total compensation of £176.23.

Miss M wasn't satisfied and contacted this service. She said that she wanted compensation for her time and the sheer distress caused. She wanted an explanation about what the transaction was for, and whether it was fraudulent, or whether it was the airline's fault of HSBC's fault. Miss M said she wanted £500 compensation.

Our investigator didn't uphold Miss M's complaint. He set out what had happened, and noted that HSBC had acknowledged that there were gaps in staff knowledge about the Global Money Account at the time. Miss M had said that the airline didn't permit split payments – but the investigator had discovered that it did allow them, at any time before the balance was due.

Miss M didn't agree. She said she'd paid the airline the full balance in January, and didn't know why further payments had been taken. She said it was wholly disappointing and quite frankly terrifying to trust a bank, when there was still no reasonable explanation. She asked for an ombudsman's 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.

There are regulations which govern disputed transactions. The relevant regulations here are the Payment Services Regulations 2017. In general terms, the bank is liable if the customer didn't authorise the payments, and the customer is liable if they did authorise them. So I've considered whether it's more likely than not that Miss M authorised the disputed 25 July payment.

I've looked at the technical computer evidence. This shows that Miss M authorised a £318.69 payment to the airline on 29 January, and she hasn't disputed that. As Miss M authorised the £318.69 payment, she is liable for it. What Miss M has said, however, is that she paid this amount in full in January.

So I looked at the account records for Miss M's account. This doesn't show that a full balance payment was made in January as she said. What happened in January was that Miss M authorised the full amount – in other words, gave her permission for it to be paid. But it wasn't actually taken out of her account then. As I've set out above, there were two payments in February. This left £106.23 of the original January authorisation for £318.69 which still hadn't been taken out of her account. This is the payment which was debited on 25 July. As Miss M had authorised the payment, she wasn't entitled to have a refund for it.

Miss M has asked whether the July payment was fraudulent, or whether it was the airline's fault or HSBC's fault. It wasn't fraudulent, and nor was it the fault of the airline or HSBC. Miss M had authorised it, so it was properly debited.

I've gone on to look at compensation. I can see – and HSBC has accepted – that Miss M didn't have good customer service when she contacted HSBC in July. She had long waits, and HSBC advisers weren't able to provide her with full information about what had happened. HSBC has explained that the Global Money Account was relatively new, and there were gaps in staff knowledge about how it worked. So I consider that HSBC should pay Miss M compensation.

HSBC has paid Miss M a total of £176.23 compensation. That's because Miss M was liable to pay the £106.23 July payment which she'd authorised. So the whole of the £176.23 it paid her, counts as compensation for the poor service.

I find that £176.23 which HSBC paid Miss M was fair and reasonable compensation for the delays, long waits and inability to provide her with full information about the disputed transaction. So I don't require HSBC to pay her more.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before 6 February 2024.

Belinda Knight
Ombudsman