

The complaint

Mr G complains that HSBC UK Bank Plc wrongly requested the return of over £5,000 of direct debit payments from his credit card provider (M). As a result M informed him that he had exceeded his credit limit.

What happened

In June 2023 Mr G visited his local branch of HSBC, he says to query transactions on his account which he didn't recognise. He says the adviser explained to him what the transactions related to and that she would call him in a few days about it.

Sometime later in late July, Mr G received a letter from M advising him that over £5,000 of direct debit payments were being refunded, and that as a result he had exceeded his credit limit. He then went to the branch again where he was told that the payments had not yet reached his account. The recall of the direct debit payments was cancelled and his account with M was re-credited.

HSBC said that during his initial visit to the branch Mr G insisted that he didn't recognise the payments and that they were fraudulent. It further says that the customer adviser spent some time with him and suggested that he contact M before requesting the repayment. However she said that he was adamant that he didn't recognise the payments and wanted them to be recalled. HSBC further said that Mr G was spoken to at the branch when he called in after being notified of the direct debit refund. It also says that it had three further meetings with Mr G in August 2023 when the position was discussed with him. HSBC's adviser also contacted M to ensure that the payments had been recredited and that Mr G wouldn't incur any costs or other charges because of the direct debit recall.

Mr G was not happy and said that his instructions had not been followed and that HSBC's records of him visiting the bank were inaccurate. He wanted substantial compensation and an apology.

The matter has been passed to me for an Ombudsman's consideration.

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.

Where the evidence is incomplete or contradictory, as some of it is here, I have to decide the matter on the basis of what, in my opinion, is most likely to have happened.

HSBC does have a note of when Mr G visited its branch. But unfortunately it is not very detailed, though it did identify the payments which it said Mr G had asked to be recalled. As I've said the payments totalled more than £5,000. I do think it likely that the adviser tried to tell Mr G to contact M first, especially as he had said he had not received a recent statement from M. Ideally it would have been helpful if HSBC had noted his insistence that the payment was fraudulent at the time. But that is speaking with the benefit of hindsight. Although HSBC

noted in its subsequent meetings with Mr G that he appeared to be confused, I believe that the initial adviser he saw didn't think he was confused about the matter when she discussed the payments to be returned with him.

When direct debit payments are recalled, the process can take some time. I'm satisfied that the payments had not reached Mr G's HSBC account by the time he revisited the branch in early August. The responsibility for processing the return of the direct debit payments lay with M, so any delay in Mr G being informed that the direct debits were being returned wasn't the fault of HSBC. And the process is not like a normal transfer between bank accounts. Once the direct debit payee (M, in this case) has determined that it will refund the direct debits, the transaction can take 12 days between leaving one account and arriving in the other account.

HSBC has provided notes of the meetings with Mr G in August 2023. I'm satisfied that it acted appropriately in trying to ascertain what the position was, explaining this to Mr G and then contacting M. I understand that Mr G would have been distressed about being told by M that his credit limit had been exceeded. But, in my view, there was no error on HSBC's part and it provided a fair customer service to Mr G by resolving the problem for him. This included ensuring that the payments went back to M and that Mr G wouldn't be charged any costs or other charges by M. I've seen copies of his bank statements for the months in question and I'm satisfied that the direct debit repayments never reached his account with HSBC.

I'm sorry that Mr G was caused distress about what happened. But on the evidence I've seen I can't see that there was any error on HSBC's part. So I won't be requiring it to take any further action.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr G to accept or reject my decision before 8 April 2024.

Ray Lawley
Ombudsman