

## **The complaint**

Mr K is unhappy HSBC UK Bank Plc stopped a transfer he made and put restrictions on his account.

## **What happened**

Mr K attempted to transfer funds to a friend abroad to pay for a hotel room for a trip he planned to make. Mr K says he completed security online but later received a phone call from HSBC asking for personal details. Mr K wasn't satisfied the caller was genuine and so he terminated the phone call.

Mr K phoned HSBC back but it said it couldn't verify him over the phone and asked that he visit a local branch with identification, but he wasn't able to as he was due to travel the following morning. Mr K was then told to visit a HSBC branch when he arrived at his destination.

Mr K's complaint is as follows:

- Mr K said HSBC blocked his account for following safety advice not to disclose his details as the initial advisor did not convince him they were genuine and not a fraudster.
- Mr K complained that the advisors repeatedly asked him to visit his local branch, even when he told them he could not.
- He said that HSBC's error left him without use of his bank account while abroad and he was forced to ask family and friends for help.
- He said he missed purchasing a lot he wanted to bid on at auction because he was trying to resolve the matter.
- Mr K said the experience was embarrassing, stressful and made him anxious. He said it caused an unreasonable inconvenience as he had to find a branch to unblock his account while he was away, and therefore he lost a day of his holiday.
- Mr K also complained that the advisor would not accept his complaint.

HSBC upheld the complaint and initially offered Mr K £200 in compensation. It acknowledged that the account shouldn't have been blocked straight away when Mr K was unhappy to speak to advisor that initially phoned him. It recognised the service Mr K received over the phone was poor. It also said that Mr K should have been allowed to make his complaint. Mr K wasn't satisfied with its offer and referred his complaint to our service. HSBC subsequently increased its offer to £300.

Our investigator thought its offer of £300 compensation was fair. He said he understood why it would have been inconvenient for Mr K to visit the local branch as he was due to travel. Our investigator said HSBC showed that Mr K's debit card remained operational, and he had

access to funds in the account using his debit card. He said he couldn't safely say Mr K would have been successful in his bidding for the lot. Our investigator also said that any delay in registering Mr K's complaint didn't prevent him bring it to our service for an independent review.

Mr K didn't accept what our investigator said. He said there was no way of him knowing his debit card was still active. He doesn't think £300 takes account of the level of stress, panic, anxiety, and lack of sleep he experienced, or that he couldn't take part in the auction he took the day off for. As an agreement couldn't be reached, 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.

Having done so, I've reached the same outcome as our investigator and for similar reasons.

Firstly, I appreciate that I have summarised Mr K's complaint in less detail than he provided. I want to reassure Mr K that I've taken into account everything he said. If there is something I haven't commented on it's not that I've ignored it. I haven't, but rather I've focused on explaining what I think is key to the decision I've reached. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is the right outcome.

HSBC accepts there were errors made, and the service Mr K received was not as it should be. When things go wrong, we expect the business to ensure the consumer hasn't lost out financially and to address any emotional or practical impact its error caused. So, what I must consider is whether HSBC has done enough to put things right in the circumstances of this complaint. I think it has and I'll explain why.

Mr K's transaction was flagged as a potential risk by HSBC's security systems, so I don't think its unreasonable that it wanted to conduct verification checks over the phone before processing the transaction.

HSBC said it was unable to verify Mr K's voice when he initially phoned and spoke to its fraud team. I don't think its unreasonable that it might have placed restrictions on his online banking and telephone services while its back-office team carried out further checks to ensure it was him who called.

Under normal circumstances I don't find it unreasonable that it might have asked him to also visit his local branch to be verified in person. An advisor later suggested that Mr K visit a branch while abroad, I don't think it is unreasonable for them to suggest this, as a last option. However, when he told them he couldn't visit a local branch, I find that HSBC could have done more to support Mr K in the circumstances, and it could have considered alternative ways to satisfy itself of his identity sooner.

HSBC offered to pay Mr K a total of £300 as compensation for the service he received. I've thought about whether that's fair in the circumstances.

Mr K spent longer than I find was necessary on phone calls with the bank. I accept that Mr K missed out on the chance to bid for a particular item at an auction while on the phone to HSBC's advisors. He would like HSBC to pay the cost of purchasing this time, but there is no guarantee that he would have successfully won the bid. Therefore, I won't ask HSBC to cover this cost. Overall, I'm satisfied that Mr K has not lost out financially as a result of what happened.

I can however understand Mr K's frustrations here. He made several phone calls to the bank to try to resolve the matter before he left the country, and he spent a considerable amount of time in doing so.

I appreciate that Mr K thought his account had been frozen but having listened to the phone calls he had with HSBC's advisors, other than the transaction in question, I can't see that Mr K was told his account had been frozen. HSBC has confirmed that while there were restrictions placed on his online and telephone banking, Mr K's debit card was still operational, so I'm satisfied he wasn't left without access to the funds in his account.

Even if Mr K had been given the impression his account was frozen, I've reviewed his statement and I think it's more than likely he had access to funds elsewhere during this time. And while it was inconvenient, I note that he was able to make alternative arrangements to pay for his hotel.

I think having restrictions on his account would have been upsetting and caused worry particularly as Mr K was in a foreign country. HSBC acknowledges that Mr K ought to have been able to log his complaint when he initially asked to. I think this would have caused him further frustration in what was already a difficult situation for him. Mr K highlighted the issues he had in the bank overseas, but I can't hold HSBC UK responsible for this. Nevertheless, the restrictions were removed, and he was informed of this within the first few days of his trip.

Taking all this into account, I find £300 fair compensation in the circumstances and in line with what I would have awarded for the upset and inconvenience HSBC's actions caused Mr K.

### **My final decision**

HSBC UK Bank Plc has already made an offer to pay a total of £300 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that HSBC UK Bank Plc should pay £300 in total.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 26 July 2024.

Oluwatobi Balogun  
**Ombudsman**