

The complaint

Miss P complains HSBC UK Bank plc trading as first direct (HSBC) haven't fairly compensated her for its mistake when dealing with a balance transfer.

What happened

Miss P says in late September 2023 she arranged with HSBC to instruct two balance transfers to two other credit card providers (A&B). Miss P says HSBC in error recalled a balance transfer with B for £3,500 without any notification and only discovered this when B informed her. Miss P says despite telephoning HSBC on several occasions and being promised it would look into the matter, it didn't, and it took three weeks before the refund was made.

Miss P says this matter has caused her considerable upset and worry during this time and the time she has spent as a self-employed individual has meant she has also lost earnings. Miss P says HSBC's offer of compensation doesn't go far enough to cover her time, stress or the interest charged by the other credit card provider B.

HSBC says it accepts it made mistakes here and have apologised for that, as it recalled the balance transfer from B in error. HSBC says it initially offered Miss P £200 for the trouble and upset caused and have since increased that offer to £300 to take into account the interest charged by B, even though Miss P informed them this interest cost had been refunded as a gesture of goodwill by B. Miss P wasn't happy with HSBC's response and the further offer of compensation and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator acknowledged HSBC had made mistakes here and that Miss P had to make an unreasonable number of phone calls before the matter was resolved. That said the investigator felt HSBC's increased offer of compensation of £300 was reasonable in the circumstances, as this service does not consider hourly rates of pay, rather the impact the issue has had on the complainant.

Miss P didn't agree with the investigator's view and asked for the matter to be referred to an ombudsman for a final 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.

Having done so, I won't be upholding this complaint and I will explain how I have come to my decision.

I can understand it would have been upsetting and stressful for Miss P to have discovered HSBC had incorrectly recalled a balance transfer to another provider and then taken some weeks to put matters right, despite its promises to deal with it sooner. When looking at this complaint I will consider if HSBC fairly compensated Miss P for the trouble and upset she

experienced over this matter.

Miss P and HSBC have provided this service with comprehensive details of the course of events here and while that has proved helpful, I won't be commenting on every point made as I don't feel it's necessary in order to come to a full and impartial decision here. That's not to say I haven't considered everything said – I have. It's just that I don't need to comment on each individual point here in order to reach a decision on what's fair and reasonable.

The first thing to say is HSBC have accepted it made a mistake when it recalled in error a balance transfer Miss P had organised to a credit card provider (B). HSBC have also accepted it took longer than it should, to have dealt with the refund of those funds and accepts Miss P had to make a number of unnecessary phone calls.

While I understand that Miss P doesn't feel the compensation offered by HSBC goes far enough to cover her loss of earnings during this protracted time, like the investigator I should say this service doesn't consider potential hourly self-employed earning rates when looking at complaints like this, rather it considers the impact of the incident in question.

So, while it's evident Miss P did experience poor service from HSBC here and without trying to minimise the frustration this would have undoubtedly caused her, it's not my role to penalise or punish banks in those circumstances where a mistake is made. Here my role is to see that matters are put right, an apology given, and a proportionate amount of redress is offered – I'm satisfied on balance that HSBC did that here.

I say this because Miss P has been offered an increased amount of compensation during the course of this investigation from £200 to £300 and while Miss P may not agree, I am satisfied this represents a fair offer from HSBC in the individual circumstances of this complaint. I suggest Miss P now contacts HSBC if she wishes to accept its offer.

While Miss P will be disappointed with my decision, I won't be asking anymore of HSBC than that here.

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 P to accept or reject my decision before 30 September 2024.

Barry White
Ombudsman