

The complaint

Mr P complains HSBC UK Bank Plc gave him a poor exchange rate.

What happened

Mr P wanted to send some money in Sri Lankan rupees, from his sterling account, and used HSBC's Global Transfer. Mr P saw a live rate of around 415 rupees to the pound, and clicked through to the next screen.

The next screen said the rate wasn't guaranteed, and quoted 380 rupees to the pound. Mr P went ahead with the transfer, and received the lower rate.

Mr P complained to HSBC and said it was unfair to have a live rate that was nowhere near the rate he received. Mr P felt he was around £100 out of pocket, and had he known the rate was going to be so low he'd have made the payment another way.

HSBC responded and said Mr P chose to make the payment at the rate he received. HSBC said it doesn't lay out the margins it uses, but these are all included in the rate it offers customers.

HSBC said the exact amount to be received is shown in the mobile application and Mr P agreed to this.

Unhappy with this answer Mr P brought his complaint to this service. An investigator looked into things and didn't think Mr P's complaint should be upheld.

The investigator said the rate wasn't guaranteed unless Mr P was sending a supported currency, and he wasn't. The investigator didn't think HSBC's payment journey was misleading and gave clear warnings the rate displayed was indicative.

Mr P didn't accept this, and said the system was a gamble. Mr P said there was an entirety clause in place, he shouldn't be relying on terms and conditions found outside of the payment journey online.

Mr P said the use of the word live was misleading. Mr P could accept a margin of around 5% on the exchange rate, but the difference was 10% according to rates available online.

And Mr P felt his expectations were set by the use of the word live, regardless of the rate displayed on the next screen.

Mr P said at no point was he advised the rate was so low. Had Mr P realised, he would have made payment another way, as he has before.

Mr P also said there's no mention of supported or unsupported currencies when completing the payment online.

The investigator sent HSBC proof of the day's exchange rate, to show the difference, but HSBC felt it had already provided sufficient evidence to support its decision.

Mr P asked for an ombudsman to decide things.

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've looked at the screen shots Mr P provided this service when he first logged his complaint.

One screenshot, dated 25 April 2023, the day Mr P made his transfer, shows the rate as 380. I think this screen is clear, it says what the rate is and how much, in Sri Lankan rupees, the beneficiary of the payment will receive.

There's also a clear warning to say the rate is for indication purposes only and may not be the actual rate. This is the second screen Mr P would have seen.

Mr P supplied another screenshot, timed at 2 minutes after the first, and this shows the first screen he would have seen when making the payment. I assume Mr P went back to screenshot this screen after making the payment.

This screen says the exchange rate is a live indicative rate and subject to change. It also says the actual exchange rate will be confirmed at the next step. The rate displayed is 415.

I think this is clear. Regardless of the use of the word live, it's clear this rate isn't necessarily going to be the rate Mr P receives. And the screen clearly says the rate will be confirmed on the next screen.

The next screen is where Mr P would have seen the rate at 380, along with, I think, a clear figure of what the beneficiary will receive in rupees.

I can understand Mr P's frustration, the difference in rates between the first screen and the second screen is large. But this doesn't change my thinking around the second screen Mr P would have seen, I think it's very clear what the rate is.

Mr P says he shouldn't be expected to step outside of the payment journey to check the terms or find out whether Sri Lankan rupees are a supported currency or not.

But I don't think Mr P had to step out the payment journey to know what rate he was going to get, I think it's clearly stated on the second screen. I don't think the fact Sri Lankan rupees aren't a supported currency for HSBC changes the clarity of the second screen.

Mr P says he wasn't advised the rate was so low, but I disagree, as above, I feel the screen is clear what rate is and how much, in rupees, will be received.

Mr P says the rate he received is a long way off the rates he's found for that day.

Mr P's supplied proof of the rate from a reputable website. But I think this rate is a mid-point rate, buying or selling rupees are likely to have different rates, either side of this mid-point.

I've looked at the rate for the day with a popular money transfer company, and its rate on the day Mr P made the payment was 399.

I agree with Mr P around the variance in the rate, I'd also expect somewhere close to 5% difference between the rate Mr P could have received and what HSBC gave him. But I think HSBC provided a rate close to what Mr P could have got elsewhere.

So even if I accept the rate was unclear, I'm not sure Mr P would have got a much better rate elsewhere anyway.

I think HSBC's payment journey is quite clear. The first exchange rate Mr P saw was clearly indicative and the warning states the rate he'll receive is on the next screen.

Having seen the next screen, I think it's very clear what the rate is and it's very clear what will be received in rupees.

The rate Mr P received appears to be what he was quoted on the second screen, so I don't think HSBC has done anything wrong here.

I know Mr P feels he's lost out, because he feels the payment journey is unclear. But since I don't agree the journey's unclear, I don't think it would be fair for HSBC to cover any losses Mr P feels he's suffered when sending his payment.

My final decision

My final decision is I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 28 November 2023.

Chris Russ
Ombudsman