

The complaint

Mr C is unhappy that HSBC UK Bank Plc sent a transfer he instructed in UK Pound Sterling ("GBP") rather than in US Dollars ("USD").

What happened

Mr C instructed a transfer from his HSBC USD account to another USD account based in the UK. However, Mr C found that HSBC had sent the money in GBP. This meant that the sent USD amount had been converted to GBP by HSBC before being sent, and that it had to be converted back to USD when received by the recipient party.

Mr C wasn't happy about this because of the exchange rate loss incurred on the two unnecessary currency exchanges. So, he raised a complaint.

HSBC responded to Mr C and confirmed that he'd instructed them to send the money as GBP and that therefore they didn't feel they'd acted unfairly by doing so. Mr C wasn't satisfied with HSBC's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel HSBC had acted unfairly in how they'd managed the situation and so didn't uphold the complaint. Mr C remained dissatisfied, so the matter was escalated 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'd like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the factors and circumstances of a complaint into consideration.

Like all banks, HSBC are expected to process transfers in line with the instructions given to them by their account holders. In this instance, HSBC have been able to demonstrate that Mr C instructed them to transfer the money in GBP. As such, while I appreciate Mr C may not have intended to provide such an instruction to HSBC, I don't feel I can reasonably or fairly say that HSBC did anything wrong by following the instruction that Mr C gave to them.

Mr C has said that he didn't instruct HSBC to transfer the money in GBP and has provided a screenshot which he feels confirms that he issued the instruction to transfer the money in USD. But the screenshot that Mr C has provided confirms the debiting amount, and because the transfer was being made from a USD account, this debiting amount was in USD.

Importantly though, the screenshot doesn't show the currency which the transfer was to be made in. But the screenshot does confirm that a HSBC Exchange Rate will be applied to the

transfer, which I'm satisfied confirms the transfer was being instructed to be sent in a non-USD currency – because otherwise a currency exchange rate wouldn't be required.

HSBC have also sent screenshots of the customer journey Mr S would have experienced when instructing the transfer online. And this includes that the specific currency that the transfer is to be sent in would be listed, as would any applicable exchange rate – for instance, from USD to GBP.

HSBC have also confirmed that their systems automatically default the transfer currency to the currency of the country in which the recipient account is located. And, because the recipient account was based in the UK, this meant the transfer currency defaulted to GBP and would have needed to have been amended by Mr C if he wanted the transfer to take place in USD.

Mr C feels that HSBC acted unfairly by defaulting the currency to GBP as they did. But I don't agree, and I feel it's reasonable for HSBC to default to a native currency as they do. And I'm also satisfied that this information would have been clearly presented to Mr C, as explained above.

Ultimately, I don't feel that HSBC have done anything wrong or acted unfairly here. Instead, I feel that what's happened is an unfortunate consequence of a mistake or misunderstanding on Mr C's part.

I reach this position because I'm satisfied that Mr C could have instructed the transfer in USD, but unfortunately didn't do so. And while I accept that this was unfortunate, I feel that because the responsibility for issuing an accurate instruction rested with Mr C, I don't feel that HSBC have acted unfairly.

I realise this won't be the outcome Mr C was wanting, but it follows that I won't be upholding this complaint or instructing HSBC to take any further action here. I hope that Mr C will understand, given what I've explained, why I've made the final decision that I have.

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 Mr C to accept or reject my decision before 20 September 2023.

Paul Cooper
Ombudsman