

The complaint

Mr S complains HSBC UK Bank plc (HSBC) charged him fees for international payments he made without prior notification.

What happened

Mr S says he holds a bank account with HSBC and in late August 2022 and early September 2022 he made two international payments to his bank account in India. Mr S says at the time he was led to believe the cost of those payments would be £5 each and these were debited at the time of the transactions. Mr S says in early October 2022 he was charged with two amounts of £16.23 which he was unaware of. Mr S says when he contacted HSBC by webchat he was informed the charges were applied by the beneficiary bank. Mr S says when he checked this with his bank in India he was told the charges were from HSBC.

Mr S says he then raised a complaint and was told these charges were levied by an intermediary bank, but he was never pre-advised of this. Mr S says HSBC agreed to refund the charges and offered him £50 by way of compensation, but it has since charged him on a further three occasions for three more international payments he sent.

Mr S says he wants HSBC to be transparent about any charges to his bank account for international payments and doesn't feel he should be charged for any hidden charges and wants to be compensated for the financial and mental loss he has suffered.

HSBC says it has apologised for the misinformation Mr S received about these charges during a webchat and has paid him £50 by way of apology for that. HSBC have pointed out that when Mr S elected to pay all the fees when he made those international payments online, he would have been informed at that time, that in addition to HSBC's standard £5 fee he may be charged for any intermediary bank's costs. HSBC says it has no control over the intermediary banks charging policy and it could take some time before it is informed of any charges, but Mr S can control where the charges are deducted. As a gesture of goodwill for this HSBC agreed to refund the two charges levied in early October 2022 totalling £32.46.

Mr S wasn't happy with HSBC's response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator says under HSBC's terms and conditions when making an international payment it may use an intermediary bank, which may apply its own charges. The investigator says when completing the transaction Mr S selected the option to pay all charges which included those charges from the intermediary bank. The investigator says HSBC incorrectly informed Mr S that the charges were applied by the receiving bank and apologised for this misinformation and paid him £50 for that, which the investigator thought was fair.

Mr S 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 for Mr S to learn he had been charged additional charges for international payments that he had made when he believed the fee to be only £5.

When looking at this complaint I will consider if HSBC made Mr S aware of the charges that could be made when making international payments.

Mr S's complaint centres around the fact in late August 2022 and in early September 2022, he made two international payments online using his recently opened HSBC bank account and was charged £5 for those transactions at the time. Mr S says in early October 2022 he was charged a further two charges of £16.23. Mr S says when he queried this with HSBC he was told these were the recipient bank costs but found that not to be the case and HSBC then informed him the charges were intermediary bank charges.

Mr S makes the point he was never pre advised of any such intermediary charges and although HSBC have refunded the earlier two sets of fees, he has been charged for a further three payments he made. Mr S doesn't want to be charged these fees going forward and wants HSBC to be more transparent about any charges that it makes for these types of transactions.

I understand the points Mr S makes here, but I'm not fully persuaded by his arguments. I say this because HSBC have provided information to this service to show that when Mr S made the online international payments to India, he elected to pay all charges. HSBC have provided the wording that Mr S would have seen at the time of the transaction being made which says:

" pay all the fees. You'll pay the charges in the table above and any intermediary, agency and beneficiary bank charges, which can be applied later."

Additionally in the other charges section of HSBC's terms and conditions relating to international payment fees, on page 52 it also states under sending money outside the UK :

"If we send money outside the UK, we may use an intermediary bank. The intermediary and the bank receiving the money may apply their own charges. This could include payments sent through, or to, another HSBC bank. You'll only have to pay these charges if you tell us you want to pay all the charges when you ask us to make the payment."

So here, I am satisfied Mr S was advised prior to him making the international payments that other charges may be applicable here and that there were other sources he could have looked at such as the terms and conditions of the account referred to above. Afterall, Mr S has told this service he was new to the UK banking systems and HSBC, so it would have been beneficial for him to familiarise himself with those terms and conditions, which in any event is his responsibility to do so. I can't hold HSBC responsible for the fact Mr S may not have read or understood the notice he selected when making the payments – after all he had the option to query this with HSBC before making the payments if he wasn't sure.

I am also satisfied HSBC wouldn't be in a position to know definitively what the intermediary

banks charges would be until they were passed onto them, as it has no control over the intermediary's charges now or going forward.

As far as Mr S's point that he has continued to be charged for other international payments he has made, although HSBC agreed as a gesture of goodwill to reverse the two intermediary charges he incurred in October 2022, it hadn't ever agreed he wouldn't be charged these fees going forward and did explain to Mr S why these charges were made.

I can see Mr S was initially given misleading information regarding the origin of these charges via a webchat and HSBC have apologised for that and paid him £50 - I am satisfied that is reasonable in the circumstances.

While Mr S will be disappointed with my decision, I won't be asking anymore of HSBC.

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 S to accept or reject my decision before 30 August 2023.

Barry White
Ombudsman