

The complaint

Mr C complains about charges applied by HSBC UK Bank Plc when making international transfers.

What happened

Mr C has explained that since August 2019 he's made regular transfers to his partner who lives abroad. Mr C's explained that when making the first transfer he was told by branch staff there would be a fee of £4. But over the years, Mr C has been charged additional fees by the intermediary and receiving bank, after the transfer has been made.

Mr C has made several complaints to HSBC and it issued final responses. In September 2021 HSBC's final response said that the way Mr C was instructing transfers impacted what fees he would pay. HSBC confirmed it would apply a £4 international transfer fee but that if Mr C selected to pay all fees when instructing an international transfer, he would also be liable for charges applied by the receiving and intermediary banks.

HSBC issued another complaint response in August 2022 that said receiving banks and intermediary banks may apply charges following an international transfer. A final response issued in April 2023 confirmed that charges were correctly applied when Mr C's transfer instruction confirmed he would pay all fees that can take several months to be applied. HSBC didn't uphold the complaints Mr C made.

An investigator at this service looked at Mr C's complaint. They thought HSBC had applied international transfer fees in line with Mr C's instructions. The investigator also said the charges had been applied in line with the account terms and conditions. As the investigator wasn't persuaded international transfer fees had been incorrectly applied or that HSBC had made a mistake they didn't uphold Mr C's complaint.

Mr C asked to appeal, so his complaint has been passed to me to make a 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.

I'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

I can see the investigator quoted the relevant section of HSBC's terms and conditions in their view to Mr C. In short, the terms say that HSBC may use an intermediary bank when transferring funds internationally. The terms add that the intermediary bank and receiving

banks may charge their own fees. The terms continue by saying that the account holder will pay these fees if they tell HSBC they want to pay all charges when instructing the international transfer. So I'm satisfied HSBC's terms make provision for fees charges by intermediary and receiving banks when an international transfer is sent, depending on how it's instructed.

HSBC's provided systems information that shows customers are given three options when instructing an international transfer. One of the options says the HSBC account holder will pay all fees, including those applied by intermediary and receiving banks. Another option means all fees applied by HSBC, the intermediary and receiving banks will be paid by the recipient. A final option allows customers to pay HSBC's international transfer fee of £5 (previously £4) and for the recipient to pay the intermediary and receiving bank fees. I'm satisfied HSBC offers options for international transfers and allows the customer to select what fees they will pay when instructing.

I've reviewed Mr C's account statements and can see there are occasions when the intermediary and receiving bank fees were later charged to his account. There are other occasions where no intermediary or receiving bank charges were applied. But I'm satisfied that reflects the fact that on some occasions Mr C instructed international transfers where the recipient would pay the fees and on other occasions they were instructed so he paid them all.

There is no option to instruct international transfers without either the sender (Mr C in this case) or the recipient paying any intermediary or receiving bank charges that may arise. Those are in addition to the standard fee HSBC applies which was originally £4 but has since increased to £5.

I'm very sorry to disappoint Mr C but I've not found anything that shows he's been unfairly or incorrectly charged for making international transfers by HSBC. As I'm satisfied HSBC hasn't made any mistakes and handled Mr C's complaint fairly I'm not telling it to do anything else.

My final decision

My decision is that I don't uphold Mr C's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 11 December 2023.

Marco Manente
Ombudsman