

The complaint

Mr D complains that HSBC UK Bank Plc told him wrong information and they kept money for several months without any justification for doing this.

What happened

Mr D says that HSBC dishonestly kept €6,000 for four months without any justification. He says they failed to notify him his account was terminated, and they denied having received €6,000, which they kept for four months. Mr D made a complaint to HSBC.

HSBC upheld Mr D's complaint. They said he contacted them via telephone in November 2022 to obtain his currency account details as a family member would be sending him money in Euros (EUR). They said he was initially told to use the details seen on his currency account welcome letter on 29 March 2017, but then he was verbally told details which differed to the welcome letter. So Mr D called HSBC again and he was told to use the details on the letter dated 29 March 2017, which he passed to the family member who transferred him €6,000 on 27 December 2022.

As Mr D didn't receive the payment after several weeks he contacted HSBC, who told him he should contact the sending bank, and when he spoke to them again on 14 April 2023, after months of being repeatedly told HSBC didn't have his funds, Mr D was told that they had actually received the funds on 28 December 2022, and HSBC had failed to return the funds.

HSBC said the funds were returned to his family members account on 18 April 2023 for €5,968.50 as €31.50 had been taken from the returned payment. HSBC said that on 29 March 2017, two currency accounts were opened for him in error, and two welcome letters were sent to him, which contained different International Bank Account Numbers (IBAN). One of these accounts was subsequently closed on 30 March 2017, but the remaining account details changed on 20 January 2018 due to ringfencing, and HSBC said they sent him a letter about this on the same day. HSBC paid Mr D £1,000 for the wrong information and for the delay in returning the funds back and a refund of the €31.50 fee. Mr D brought his complaint to our service.

Our investigator did not uphold Mr D's complaint. He said that due to the service received, and the delays caused, HSBC paid Mr D £1,000 plus £28.84 to cover any shortfalls when the funds were returned due to the exchange rate difference. Considering the delays, service and impact caused, he felt this was a generous level of compensation. Mr D asked for an ombudsman to review his complaint, he felt the compensation wasn't generous, and he said HSBC should be fined due to the stress, anxiety and the loss of investment opportunity he had.

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.

It's not in dispute that HSBC have let Mr D down on several occasions during the events that happened here. They gave him wrong information which Mr D accepted in good faith and his family member attempted to transfer him €6,000. Mr D was unable to track where this money was after HSBC received it, and it appears he was told several times wrong information about the whereabouts of this money, and he was inconvenienced by having to ask his family member to speak to their bank to see where the funds were when HSBC had the money all along.

The funds should have been returned on or around 28 December 2022 when HSBC received them. But due to an error, this didn't happen, which caused Mr D further distress and inconvenience to try and get to the bottom of this.

I've considered what Mr D has said about HSBC not telling him that his account was terminated, but I can see a system note dated 30 March 2017 at 15:47pm which says *"Please close this currency account as 2 EURO accounts have been opened in error. Called customer to confirm and he has agreed to close one done"*. So the note does suggest Mr D agreed for one account to be closed down (while the note says close one done, I'm satisfied it was supposed to say close one down).

But regardless of this, this happened over six years ago. So when Mr D did ask HSBC for the details for a family member to send the money to, he would expect to receive the correct information first time. But as this didn't happen, this caused a set of events which were entirely avoidable.

So I've considered what would be a fair outcome for this complaint. I know Mr D has said he's missed out on investment opportunities, but HSBC would not be responsible for the value of an investment which Mr D may have intended to have made with these funds, so I can't reasonably say it would be proportionate for HSBC to pay any potential gains which could have been made here.

But Mr D was caused considerable distress, upset and worry by HSBC's actions. This needed a lot of extra effort to sort out as he needed to go back and forth between HSBC and the sending bank, and this lasted over many months. I know Mr D says that £1,000 plus £28.84 to cover any exchange rate shortfall is not generous. But our awards are not designed to punish a business. And as we are not the regulator, we don't have the power to fine a business. Our compensation for what happened here would have been in the £300-£750 range if HSBC had not upheld Mr D's complaint. So as they have paid more than what I would have awarded in these circumstances, it follows I don't require HSBC to do anything further.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 20 December 2023.

Gregory Sloanes
Ombudsman