

The complaint

Mr C complains as a director of A, a company, that HSBC UK Bank Plc delayed substantially in transferring funds to A.

What happened

Mr C had previously complained through the Financial Ombudsman Service that HSBC had failed to transfer the necessary funds to A. In June 2021 an Ombudsman colleague made a decision that HSBC should pay £300 compensation and bank charges. This was in respect of HSBC's failure to provide a proper explanation about the necessary steps. At that stage the transfer still needed to be carried out, but it was made clear to Mr C that the contact details needed to be formally updated with HSBC and a request for the transfer to be carried out made by him.

HSBC paid the compensation and bank charges in July 2021, but Mr C still had to provide the necessary letter of request. He obtained an email address for the appropriate HSBC department through our previous Investigator, but says that he sent several emails which went undelivered. On 18 November 2021 HSBC advised that it had the information, but required identification (ID) documents from Mr C to process the transfer. So far as I can see, Mr C argued the point as to why he needed to produce personal ID when it was the company requesting the transfer. The ID documents were not sent to HSBC until 13 June 2022.

HSBC advised Mr C on 11 July 2022 that the documents had been accepted and that it was in the process of forwarding the funds. Mr C said he heard nothing further. Though I understand that in early February 2023 he was advised that, as he lived abroad, the ID documents were not suitable. HSBC says it did not receive the appropriate documents until 26 February 2023. It then had trouble in tracing the funds so it said as a result that it did not complete the transfer until 18 April 2023. It agreed to pay interest at 8% per year for the period from 26 February 2023 (when it received the correct ID documents) until 18 April 2023.

The complaint was referred to me for an Ombudsman's consideration. I issued a provisional decision. My view was that, allowing 3 weeks to receive the updated ID documents, HSBC should have processed the transfer of funds by 4 July 2022. This means that I thought it should pay interest* at 8% on the transfer funds from that date until 18 April 2023.

Mr C in response asserted that the funds had never been transferred. After checking the position with HSBC, it admitted that the transfer of the funds had not gone ahead as it had previously said. This finally took place on 22 November 2023.

I put it to HSBC that it should pay the 8% interest up until 22 November 2023, and further that it should pay £250 compensation for the further inconvenience caused. It agreed to this.

Mr C didn't accept my provisional findings and didn't accept the proposal for interest and compensation. Briefly, his comments were:

- Since the time the account was closed in 2019, he repeatedly sent the very same letter of transfer request on numerous occasions to numerous HSBC employees and to our investigators. All were ignored by HSBC up until 18 November 2021.
- After that HSBC failed to provide a proper explanation about the necessary steps in respect of obtaining ID documents.
- HSBC did not accept the ID documents until 20 June 2022.
- He made further comments about the transfer not taking place and HSBC 's evidence that it tried to contact him.

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 set out my provisional findings below, in italics:

"I am considering in this decision the alleged delay by HSBC in transferring the funds. I would observe that the previous decision by my Ombudsman colleague concerned HSBC's failure to provide a proper explanation to Mr C. At that stage the actual transfer remained to be carried out and was still subject to Mr C providing an update to A's details and providing a letter of request to carry out the transfer.

It appears that those documents were not provided until 13 June 2022. HSBC says it did not receive them until 4 February 2023. However I have seen an email to Mr C dated 11 July 2022 from a Digital Service Representative at HSBC. That email stated:

"Looking at the details, I can see that the documents were accepted and they are in the process of forwarding the funds to you at .. Bank."

Mr C asserts that he heard nothing further from HSBC. But it does appear from HSBC 's file notes that it requested different ID documents as the ones provided were not appropriate for someone living abroad. But this was only on 4 February 2023. I haven't seen any information from HSBC to explain why it told Mr C that the documents had been accepted in July 2022 but took no action until February 2023. My view is that, allowing 3 weeks to receive the updated ID documents, HSBC should have processed the transfer of funds by 4 July 2022. This means that I think it should pay interest at 8% on the transfer funds from that date until 18 April 2023."*

I reiterate that I'm considering this matter from the previous Ombudsman 's decision in July 2021. So any communications Mr C may have had with HSBC prior to the date of that decision will have been considered by the previous Ombudsman.

As I've said, the updated position is that the funds weren't transferred until 22 November 2023. So interest will run from 4 July 2022 to that date. HSBC also accepted the proposed payment of £250 compensation for the inconvenience caused by its failure to carry out the transfer properly and the subsequent delay.

Where the evidence available is incomplete or contradictory, as a lot of it is here, I have to base my decision on what in my opinion is most likely to have happened.

There was a four-month period from July to November 2021 when it is not clear what was happening. But in the absence of evidence that HSBC was at fault during this period, I can't

hold it responsible for the delay here. From then until 13 June 2022, the evidence I've seen indicates that Mr C argued about the necessity of providing ID documents. I've considered what Mr C has said about this, and I can assure him that I did consider the communications between the Investigator and HSBC following the previous Ombudsman's decision in July 2021.

So, having reviewed my provisional findings in the light of Mr C's further comments, I'm still of the view that the appropriate date from which interest should run is 4 July 2022. That, in my view was the earliest date on which HSBC could have processed the transfer, when it was in receipt of the necessary ID documents from Mr C.

I'm aware that HSBC provided misleading information to us concerning when it had made the transfer. I understand that the funds were transferred to a suspense account rather than directly to A's account. But I think that the further payment of £250 deals with that point.

I'm not persuaded that any further compensation is payable.

So, apart from where matters have moved on from when I made my provisional findings, I am still persuaded by those findings which are now final and form part of this final decision.

Putting things right

HSBC should pay to A 8% per year simple interest* on the transferred funds, applied from 4 July 2022 until 22 November 2023.

HSBC should also pay £250 compensation.

*HM Revenue & Customs may require HSBC to deduct tax from any award of interest. It must give A a certificate showing how much tax has been taken off if one is requested.

My final decision

I uphold the complaint and require HSBC Bank UK Plc to provide the redress set out under "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask A to accept or reject my decision before 18 January 2024.

Ray Lawley
Ombudsman