

The complaint

Miss B complains about how HSBC UK Bank Plc ('HSBC') handled an international payment she wanted to make.

What happened

In August 2022, Miss B provided instructions for a transfer to a bank in another country. But the payment wasn't successful and Miss B wasn't sure what had happened to the money she had sent. She contacted HSBC about this but it couldn't tell Miss B what had happened to the money either.

Eventually, HSBC found out that an intermediary bank, working for the bank that Miss B wished to send the money to, had rejected the payment. This prevented the transfer but hadn't returned the money to it. HSBC says that it chased the intermediary for both an explanation and a refund. It says that it never received either.

At this point, Miss B complained to HSBC - saying that she felt it was responsible for what happened with the transfer and that it should have provided her with an explanation for why it was rejected. HSBC responded only to restate what it had done to try and recover the payment and to say that it still hadn't received the funds back.

Miss B brought her complaint to this service. After we became involved, HSBC did receive the payment back from the bank that held it in February 2023. It then refunded the money to Miss B, albeit slightly less than the amount originally transferred, due to changes in the exchange rate. Miss B said she was unhappy with its efforts to recover the payment and with the service it provided around this. She says that she was passed around between staff and that she was not treated fairly.

Our investigator looked at the complaint and thought HSBC fell short in respect of some of the service it provided. They eventually recommended that HSBC should pay Miss B £250 in relation to the distress and inconvenience caused. HSBC accepted this but didn't agree that it is responsible for what happened with the transfer. It maintained that it can't be held responsible for the actions of the intermediary bank that rejected the payment, where that was outside of its control. Nor could it have provided an explanation of what happened when it didn't know that.

Our investigator thought that the transfer itself had been carried out properly, and then chased properly once it was rejected. They thought that the offer of £250 to reflect the distress and inconvenience caused by the issues with the service provided was reasonable. Miss B did not agree and so this has come to me 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.

In terms of the payment itself here - intermediary banks are often part of any process to transfer funds internationally. Miss B may not have appreciated this, but this is part of the

process HSBC uses to make payments in the way Miss B wanted. From the evidence I've seen, HSBC made the payment correctly and in line with its usual process for doing so.

The path of the payment means that it went from HSBC to its own intermediary bank. But then the money went from HSBC's intermediary bank to the receiving bank's intermediary. That intermediary was acting on behalf of the receiving bank rather than HSBC, so it wouldn't be fair for me to hold HSBC liable for any actions it may have taken.

Crucially – the evidence shows that it was this bank that rejected the payment. The reasons aren't clear, but it looks like a decision the receiving bank's intermediary made independently of HSBC. I've seen nothing in how HSBC handled the payment that persuades me that this rejection was because of anything it did.

I have considered the available information and I can't see that the intermediary bank ever provided HSBC with an explanation as to what happened here. That means that I think HSBC is reasonable to say that it couldn't explain what had happened, where it didn't know. I don't think it'd be fair to expect HSBC to give Miss B information which it did not have.

I accept that Miss B has carried out other transfers to this foreign account before and that these have been carried out without an issue. But in the circumstances of this individual complaint, I'm persuaded that the issues with the payment weren't HSBC's fault. I think it acted correctly and fairly in how it made the payment.

I also think HSBC acted fairly in trying to help Miss B recover the payment. It took a long time, but HSBC has shown us that it was taking the appropriate steps to help her. Ultimately though – it could only do so much, as it couldn't control when the payment was returned to it, as this was being held by another business. Once it was returned, it was paid to Miss B in a timely way. The change in value was down to the exchange rate. I am satisfied that this was reasonable and in line with the terms and conditions of the account.

I am satisfied, then, that HSBC acted appropriately and in line with Miss B's instructions in relation to the transfer. But its communication with her about the problems with that transfer could have been much better. It passed her from person to person and was unable to give clear answers about the information that it did have. I have considered carefully what Miss B says about the impact that this had upon her, which I'm satisfied was serious. In all of the circumstances, I think that the £250 which HSBC has agreed to pay fairly reflects the distress and inconvenience which its shortcomings in service caused her.

My final decision

My final decision is that HSBC UK Bank Plc should pay Ms B £250 to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 8 August 2023.

James Staples
Ombudsman