

The complaint

Mr O complains HSBC UK Bank plc (HSBC) are unable to pre-inform him of the charges that would apply, when making a large international bank transfer.

What happened

Mr O says in April 2023 he made an online international payment of £10 to an overseas beneficiary's bank account and was charged a total of £17.76 for this. Mr O says he is looking to make a much larger international payment, but HSBC are unable to inform him in advance of the level of charges that could be applied.

Mr O is unhappy with this and feels HSBC should be able to pre inform him of the charges he is likely to face.

HSBC says it was sorry to hear the payment he made for £10 in April 2023 incurred charges greater than the sum he sent. HSBC explained while it can advise Mr O of what its own charges would be, in this instance £5, whenever a payment is made overseas several charges may apply including the receiving bank and any intermediary bank used to facilitate the transfer and it wouldn't be aware of those banks charging policies.

HSBC says in the instance of the £10 payment Mr O made online in April 2023, he had selected to pay all charges, so the charges have been correctly applied.

Mr O 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 felt HSBC would only be able to pre-inform Mr O of its own charges, which are detailed under its terms and conditions. The investigator says HSBC wouldn't be able to determine what charges any beneficiary or intermediary bank may charge, as each of these banks has the ability to apply charges for their administration.

Mr O 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 be frustrating for Mr O to have been charged fees on a small international payment that exceeded the payment value, and he is unable to establish from HSBC what fees he would face, if he makes a more substantial international payment going forward.

When looking at this complaint I will consider if HSBC must pre inform Mr O of all of the

intermediary and beneficiary bank charges he would incur, when making future international bank transfers.

As the investigator has already explained when Mr O makes international payments, HSBC may use an intermediary bank to facilitate the payment. HSBC's website explains this point and advises an intermediary or beneficiary bank may apply charges on those occasions. HSBC's website also explains the fees it would apply before an international payment is made, in the case of Mr O's small international payment made in April 2023, he would have been aware of the HSBC fee of £5. I understand Mr O opted to pay all fees and that included any charges from the intermediary and beneficiary banks.

While I understand Mr O would like to know the exact charges he would incur when making an international payment, I am satisfied HSBC have explained it has no control over the charges an intermediary or beneficiary bank may levy, as it wouldn't be aware of those banks charging policies. I can see HSBC have tried to put Mr O's mind at rest regarding the level of charges he might incur going forward, by explaining the intermediary fees are generally based on flat amounts per payment.

It's also worth mentioning that Mr O going forward, also has the option to select either the beneficiary pays all the fees, or he simply pays HSBC's fees, and the beneficiary pays any other fees, rather than him paying all the fees as before.

Given this I am satisfied HSBC aren't able to provide a pre advise to Mr O of any potential intermediary or beneficiary charges for the reasons I have already explained.

While Mr O 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 O to accept or reject my decision before 1 February 2024.

Barry White
Ombudsman