

The complaint

Mr T complains about charges that were applied when he transferred money from HSBC UK Bank Plc trading as first direct (first direct) to an account in Spain.

What happened

Mr T made two transfers from his first direct account to a bank account in Spain. He made the payments using the SEPA (Single Euro Payments Area) payment system.

The first transfer was for 10 euros. The second transfer was for 400 euros. After making the transfers, Mr T was made aware by the recipient that they'd incurred a charge of 15 euros for each of the payments.

Mr T was unhappy – he was under the impression that no charge should've been applied because he was transferring money to a country within the EEA (European Economic Area). He complained.

First direct responded and confirmed the payments were made using SEPA. It also explained that it didn't apply the charges and Mr T should contact the receiving bank to see if it applied them. It did however say that it hadn't been able to listen to calls Mr T made in the summer about a similar issue and misinformation he'd been given, and so as a gesture of goodwill it paid Mr T £30 to cover the charges.

Mr T remained unhappy and brought his complaint to this service. The investigator didn't think first direct had done anything wrong. They reviewed the information on first direct's website about SEPA payments and were satisfied it wasn't first direct who applied the charges. They thought it was more likely or not that the receiving bank had applied the charges. They thought the £30 payment first direct made to Mr T was fair in the circumstances.

Mr T disagreed. He was concerned that if he made future payments using SEPA the charge would be added again. He also said he'd spoken to the receiving bank and it had said it didn't apply the charges. He didn't think the investigator had answered all his complaint points and so he asked for his complaint to be reviewed by an ombudsman.

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've reached the same outcome as the investigator for broadly the same reasons.

I understand Mr T's frustrations, he used SEPA to make the payments because he didn't want to incur any extra charges. To find out that charges had been applied on both the transfers he made, must've been annoying.

However, I must decide whether I think first direct has done anything wrong. And if it has, I

need to decide how it should put things right.

Having looked at the information on first direct's website about SEPA payments, I'm satisfied that no charge should've been applied when Mr T made the transfer from his account to the account in Spain. First direct's website says the following about SEPA payments:

"Sending money outside the UK

- Payment to an HSBC account anywhere in the world - **No fee.**
- Euro payment within the EEA (European Economic Area) - **No fee.**
- Euro payment outside EEA - **£5 fee.**
- Non-euro payment within the UK - **£5 fee.**
- Non-euro payment outside of the UK - **£5 fee.**

When making a payment within the EEA, the payment may incur intermediary and agency bank charges. You cannot cover these fees for the payee, and they will be deducted from the amount that arrives. "

First direct has also shown screenshots of the transactions and there doesn't appear to be any charges added. So, taking this into account and the information above, I think it's more likely than not that the charges were applied by the receiving bank or an intermediary bank. Because of this, I don't think first direct needs to do anything.

I understand first direct has refunded Mr T £30 as a gesture of goodwill, because it was unable to locate all the calls Mr T had with it during summer 2023. It explained that because it didn't have access to the calls, it couldn't comment on whether Mr T was given conflicting information about SEPA. I think this is fair in the circumstances.

Mr T has raised further points about first direct's handling of international payments and other banking services. I can see he feels strongly about these issues and whether charges will be applied or not. I haven't commented on these because this complaint is mainly about the two transactions Mr T made in October and November 2023. But if Mr T has concerns about specific payments, he should raise these with first direct in the first instance. If he is just generally unhappy with first direct, he may wish to consider using banking services from another provider.

My final decision

For the reasons explained above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 1 March 2024.

Rachel Killian
Ombudsman