

The complaint

Mr S complains that a cheque he'd sent to a third-party had been debited to his HSBC UK Bank Plc but wasn't credited to the beneficiary's account.

What happened

Mr S says he posted a cheque to the beneficiary in October 2022. The cheque was debited to Mr S's bank account on 18 October, but in February 2023 the beneficiary made Mr S aware he hadn't received the cheque. Mr S told HSBC what had happened. HSBC traced the cheque to through a third-party bank and received confirmation the cheque had been paid into an incorrect account. The amount of the cheque was re-credited to Mr S's account on 17 February.

In March, Mr S complained to HSBC that he'd received no correspondence confirming what had happened to the cheque and didn't know why the amount had been refunded or why the beneficiary hadn't received the funds. HSBC apologised it hadn't told him what had happened and offered to make a new payment to the beneficiary. Mr S said he would arrange to pay the beneficiary by cheque.

Mr S brought the complaint to the Financial Ombudsman Service where one of our Investigators looked into things. The Investigator thought that HSBC hadn't made an error as a third-party bank had established the cheque had been paid into the wrong account. HSBC had apologised for the inconvenience it had caused Mr S by not telling him why the cheque had been re-credited, so the Investigator didn't think HSBC needed to do anything else.

Mr S asked that an Ombudsman decides the complaint.

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 understand Mr S will be disappointed, but for very much the same reasons as the Investigator, I won't be asking HSBC to do anything else. I will now explain why.

There's no dispute that the cheque in question was debited to Mr S's account in October 2022. Mr S believes that HSBC should have been aware that the cheque hadn't been paid into the intended beneficiary's account, but I don't think this is reasonable. HSBC paid the cheque as presented and until HSBC was told it had been credited to an incorrect account by the third-party bank or Mr S, I can't say it would have known what had happened. When Mr S made HSBC aware the beneficiary hadn't received the cheque HSBC traced the cheque through the third-party bank where it had been deposited. HSBC told Mr S to call back in 10 days for an update as it was likely the trace would be completed then. Shortly after this call, the third-party bank replied to the trace and explained the cheque had been deposited in an incorrect account. HSBC re-credited the amount of the cheque to Mr S's account.

Although I'm satisfied HSBC took reasonable steps to quickly put the matter right for Mr S, it has recognised that it didn't tell Mr S what had happened to the cheque and what it had done to put things right. This meant Mr S had to call HSBC again in March to find out what had happened, and to make other arrangements to ensure the beneficiary received the funds due. HSBC apologised to Mr S in this call and said Mr S shouldn't have needed to make an additional call and also offered to make the payment to the beneficiary from his account. I think the apology HSBC provided is a fair and reasonable remedy as it reflects the short-term inconvenience caused to Mr S.

My final decision

For the reasons provided above, I've decided that the apology HSBC UK Bank Plc provided Mr S is a fair and reasonable remedy to the complaint, and I won't be asking it to do anything else.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 31 October 2023.

Paul Lawton
Ombudsman