

The complaint

A company I will refer to as M complains about issues it experienced with an international transfer made from its HSBC UK Bank Plc bank account.

What happened

The following is intended merely as a brief summary of events. M has a business bank account with HSBC and, on 19 September 2022, made an international transfer of around £90,000. The transfer was not credited to the recipients account, so M complained to HSBC.

HSBC identified that the transfer had been made correctly, and been received by the recipient's bank. But had not been credited to the recipient's account. It requested the funds be returned to M's account.

M complained about this process. HSBC's final response confirmed that the request to return the funds had been chased.

Subsequently, M received the majority of the funds back. It seems there was a slight deduction by the recipient bank in the amount returned. The funds were actually returned to HSBC a number of days before they were moved to M's account though, and HSBC has offered just over £700 to compensate for this.

I understand that M experienced issues with other transfers from the account. However, these transfers or related issues do not form part of this complaint.

M was unhappy with the outcome of the situation and brought its complaint to the Financial Ombudsman Service. But our Investigator did not think HSBC was responsible for the funds not arriving with the recipient. He did also say that he thought the compensation offered since the final response was fair.

M remained unhappy. It considered HSBC should be responsible for consequential losses it had incurred as a result of the failed payment. As the Investigator was unable to resolve the complaint, it has been passed to me for a 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 have come to the same conclusions as our Investigator, largely for the same reasons.

My role in considering this complaint has been to consider the single transfer made on 19 September 2022. Whilst I appreciate other transfers may have been attempted, these and any related issues do not form part of this complaint.

It isn't entirely clear why the attempted transaction was not received by the intended

recipient. However, I have seen nothing to suggest that HSBC is responsible for this.

I've then thought about what HSBC did upon the issue being discovered. Requests were sent to the recipient bank for the funds to be returned. And these were chased on multiple occasions. I am unable to say that HSBC should have done more in the circumstances.

Technically, HSBC's final response marks the limit of what falls under this complaint. And at the point of the that response, I don't consider HSBC had acted inappropriately. I will nevertheless comment on the subsequent events in relation to this particular transfer.

I do note that it took around a month for the funds to be returned following the issue being discovered. But, ultimately, HSBC was waiting for the funds to be returned and this initial delay does not appear to be due to anything HSBC did or did not do.

There was then a delay of around a week before the returned funds were actually transferred to M's account. HSBC has acknowledged this and offered just over £700 compensation. It has said this is based on 8% interest for M not having the funds it should have over this period. This is generally in line with what the Financial Ombudsman Service would award in these circumstances. However, I also note that HSBC's calculation is based on 8% of £400,000. This is seemingly an error on HSBC's part, as the transfer was for 400,000 SAR. But this means M has received an offer greater than it otherwise would have, so this error by HSBC is to M's benefit. The 'correct' interest award would be closer to £140.

I note that M has referred to consequential losses relating to this payment not being completed. However, as above, I do not consider the non-completion of the transfer to be due to any error by HSBC, so I cannot fairly and reasonably ask it to do anything further. I also have seen nothing to confirm that the delay between HSBC receiving the funds and transferring them to M caused the consequential losses referred to.

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 M to accept or reject my decision before 5 January 2024.

Sam Thomas
Ombudsman