

## **The complaint**

Mr N says problems in making a payment from his current account held with HSBC UK Bank Plc meant he missed out on profiting from an investment he intended to make.

## **What happened**

Mr N tried to make an international payment of \$2,600 from his HSBC account in late October 2022. He said this was to make an investment. Unfortunately, the payment wasn't processed so no investment was made. The payment wasn't returned to Mr N until early February 2023.

Unhappy with HSBC's actions Mr N complained to it, saying it had prevented him from making a significant profit on his intended investment. He also said HSBC had held onto his money for too long before returning it to him. HSBC initially rejected the complaint, saying it was entitled to carry out certain checks on payments and that this payment had been legitimately refused as a result. HSBC accepted the funds should have been returned to Mr N sooner.

Still unhappy with HSBC's response, Mr N referred his complaint to this service. Subsequently, HSBC acknowledged it had delayed in returning his money to him. It offered to pay him £150 as compensation for the delay plus interest at 8% on the sum from when it should have been returned to the date it was returned. Our investigator considered the offer was fair in the circumstances.

Mr N didn't agree with the investigator's findings. He felt the offer was insufficient given the financial impact on him of the errors made by HSBC.

As the investigator was unable to resolve the complaint informally, it was passed to me to review afresh.

## **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 don't require HSBC to increase its existing offer. I'll explain why.

I'm aware that Mr N feels strongly that HSBC was responsible for him being unable to proceed with the investment he says he intended to make. But I can't see that HSBC did anything wrong in preventing the payment out of Mr N's account from being processed.

I say that because all UK banks, including HSBC, have certain responsibilities to protect themselves and their customers from fraudulent activity. As its personal banking terms and conditions set out, HSBC can refuse to accept or make payments in certain circumstances. These include, among other things, where there may be a breach of legal requirements or regulations or if there's suspected fraudulent or criminal activity on an account. I note that the payment Mr N was making was unusual to an extent since it was being made to an

overseas third-party. And the amount wasn't an insignificant one. I can understand why HSBC would have wanted to check the instruction was legitimate before processing it.

Even if I felt HSBC was at fault for the payment not being processed – which, for the reasons given, I don't – I'd also need to be satisfied that this caused Mr N to miss out on making a profit he'd have otherwise made. Only then would it be fair for me to consider making an award for financial loss in this regard.

However, I haven't seen anything in the available evidence to demonstrate the extent of the losses Mr N claimed to have suffered. So, I can't fairly ask HSBC to do anything differently in relation to this part of the complaint.

That said, it was still for HSBC to get Mr N's money back to him without delay once the payment wasn't going to be processed. This is where it's clear HSBC could have done better and I'm glad to see HSBC now accepts that.

For a start, Mr N was denied the use of the money for more than three months. Broadly, I believe HSBC's offer to pay 8% interest on the sum for that period puts him back in the financial position he'd have been in in the absence of the delay. That's likely what I would have awarded had HSBC not made the offer in the first place.

I'm in no doubt that being without the money for such a period of time, and the trouble he was put to in trying to retrieve the sum, negatively impacted on Mr N. I'm satisfied that he's due compensation for the distress and inconvenience he suffered. I also believe that HSBC's offer of £150 for that aspect's fair and reasonable in all the circumstances including this service's published approach to such losses.

### **Putting things right**

As per its offer, HSBC should pay Mr N simple annual interest at the rate of 8% on the amount he was due, calculated from the date it should have been returned to him to the date it was returned to him†. HSBC should also pay Mr N a total of £150 as compensation for the distress and inconvenience he's been caused.

† HM Revenue & Customs requires HSBC to take off tax from this interest. HSBC must give Mr N a certificate showing how much tax it's taken off if he asks for one.

### **My final decision**

For the reasons given, I require HSBC UK Bank Plc to put things right for Mr N as explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 2 January 2024.

Nimish Patel  
**Ombudsman**