

## **The complaint**

Mr A complains that HSBC UK Bank Plc (HSBC) didn't complete an international payment.

### **What happened**

Mr A made an international payment to Saudi Arabia on 7 May 2023 – the GBP equivalent was £19,604. It didn't reach the beneficiary and was refunded on 9 August 2023 – GBP19,079. The difference was due to exchange rate movements. The payment was to pay for Mr A's pilgrimage to Mecca – the Haj.

The payment didn't reach the beneficiary in time to pay for Mr A's trip. It was held for regulatory checks by the intermediary bank. Mr A made an additional debit card payment on 15 May 2023 for the amount needed. But this didn't reach the beneficiary in time for the trip to be fulfilled, and Mr A's trip was cancelled. I understand that was refunded separately – and doesn't form part of this complaint.

Mr A called HSBC at least eight times between 9 May 2023 and 15 May 2023 - to find out about the payment. HSBC messaged Mr A on 15 May 2023 to ask for additional information needed to process the payment.

Mr A complained. He said:

- He called HSBC ahead of the transaction to explain he was making the payment and its purpose.
- At no point of the transaction was it possible to put 'purpose of payment'.
- He made several calls to HSBC about the payment and at no point was he notified there was a problem with it.
- In the call on 15 May 2023, he was told the payment hadn't left HSBC – not that it was held at the intermediary bank.
- He hadn't provided HSBC with the information they needed (requested 15 May 2023) as he hadn't given them his passport number – so the final response was wrong.
- Because the payment didn't reach the beneficiary in time, the trip was cancelled.
- As a result of what happened, he couldn't make the trip of a lifetime. This was an obligatory part of his religion. Such is the demand for the pilgrimage, he's unlikely to get another chance to make it.

On 16 May 2023, HSBC said an international payment could be delayed for several reasons – for regulatory checks. In Mr A's case, the payment was held by the intermediary bank for additional checks and information. The information had now been received by HSBC and was being sent to the requesting bank. HSBC apologised for some poor service received by Mr A when he called.

Mr A didn't agree and brought his complaint to us. Our investigator said HSBC should pay compensation of £300. HSBC failed to notify Mr A that the payment hadn't been successful and that more information was needed from him. She said that if they had done so, it was likely the payment would've been completed in time and Mr A could've made the trip.

Mr A didn't accept this and asked that an ombudsman look at his complaint. So it came to me to do that. We asked more questions of HSBC and they agreed to meet the exchange loss of £525.01, as well as paying the compensation of £300.

Mr A didn't accept HSBC's offer and said he would accept £1,558.01 to settle – being the exchange loss of £525.01, calls (£33) and compensation of £1,000.

*I made a provisional decision which said:*

Mr A needed the payment to reach the beneficiary by 15 May 2023 (or thereabouts) or the trip would be cancelled. He was aware the money hadn't been received in Saudi Arabia and contacted HSBC several times between 9 May 2023 and 15 May 2023. He showed us evidence that the trip was cancelled on 15 May 2023 – so even though he made an additional payment on that day with his debit card, it was too late to stop the cancellation.

So – Mr A couldn't make the trip.

It is the case (as HSBC's final response said) that international payments may be delayed due to regulatory checks, either by the final recipient bank, or at the intermediary bank which processes a payment. Mr A accepts this to be reasonable and understands that. But – he says that HSBC's communications let him down – as he wasn't told that there was a problem with the payment, or that more information was needed.

Firstly, there are three points to Mr A's complaint which I've considered and which I've set aside:

- Mr A says he called HSBC before making the payment and explained its purpose – so the delays should've been avoided. I've considered that – but any such call won't ensure that regulatory checks aren't made by banks which are party to a payment – each payment is considered in the context of criteria set down by each bank to decide which payments to look at more closely. And an advanced call isn't likely to help. So, Mr A's call wouldn't have helped here.
- Mr A says he was told on 15 May 2023 – that the payment hadn't left HSBC. So – HSBC's final response was wrong. But I've listened to the call in question, and he wasn't told that – HSBC's call handler said more information was needed for the payment to be processed.
- Mr A said he hadn't provided his passport number – but I listened to the call on 15 May 2023 – and he gave HSBC's call handler his passport number on the call.

So – the crux of this complaint comes down to what happened with the payment and what HSBC's communications were. I've seen HSBC's documents – and what happened was:

- 7 May 2023 – payment made by Mr A.
- 9 May 2023: The intermediary bank contacted HSBC and asked for the purpose of the payment and Mr A's passport details.
- HSBC didn't respond and the payment was rejected by the intermediary bank on 15

May 2023 (and Mr A's trip was cancelled).

- HSBC provided the information to the intermediary bank on 19 May 2023 – which was of course too late to prevent the return of funds.

HSBC haven't provided evidence which explains why Mr A wasn't contacted between 9 May 2023 and 15 May 2023 – to get the information requested by the intermediary bank. But – he clearly wasn't contacted. And – it's reasonable to say that he should've been.

And I've listened to the calls made by Mr A to HSBC on 9 May 2023, 11 May 2023, 12 May 2023, 13 May 2023, 14 May 2023, and 15 May 2023. Each time, Mr A explained why the payment was so important to him – and asked what the hold ups were, and when it would be received by the beneficiary bank. On each call, Mr A became more and more concerned as the days passed.

But – on none of the calls was Mr A advised there was a problem with the payment, nor that it had been held pending further information needed. Even though – HSBC must have had a note in their records to say that was the case.

If the need for the information had been picked up by HSBC's call handlers and /or HSBC had contacted Mr A on 9 May 2023 (or shortly thereafter) with the information request, then it's reasonable to say that it's likely the information would've been provided by Mr A, then sent to the intermediary bank. And I'm persuaded that the payment would then likely have been processed and received by the beneficiary. And – Mr A's trip would've gone ahead.

So – HSBC were at fault in not doing that.

I also noted that the funds weren't returned to Mr A until August 2023 – and that caused him a further concern. While I can't hold HSBC directly responsible for the further delay in returning the funds to Mr A (they were held by the intermediary bank) it's reasonable to say that the refund wouldn't have been needed if the payment had been successfully processed in the first place.

So – I need to consider the appropriate amount of compensation here. HSBC have agreed to pay £825.01 (exchange loss £525.01, compensation £300). We look at each case in their individual circumstances. Given what happened, I think the refund of the exchange loss is reasonable and appropriate.

Turning to the compensation, we've set out some criteria to decide awards. This says an award up to around £750 might be fair where the impact of a business's mistake has caused considerable distress, upset and worry – and/or significant inconvenience and disruption that needs a lot of extra effort to sort out – and where the impact may last over some months.

I'm persuaded that the impact on Mr A here was severe enough to warrant a larger payment of £750. I say that because – he couldn't go on the Haj pilgrimage, which was so important to him because of his religion; and he says he may not get another opportunity in his lifetime. And - he made multiple calls which took a lot of time, and on each one it was clear his stress and anxiety was increasing.

The compensation level is at the top end of the range we would normally see, but given the particular circumstances here, I think it is justified.

#### Responses to the provisional decision:

Mr A accepted the findings. HSBC didn't respond.

I now need to make 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.

As Mr A accepted the provisional decision, and HSBC didn't respond, my final decision is the same as the provisional decision.

### **My final decision**

I uphold this complaint. HSBC UK Bank Plc must:

- Reimburse the exchange loss of £525.01.
- Pay compensation of £750 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 14 November 2023.

Martin Lord  
**Ombudsman**