

The complaint

Mr O has complained that HSBC UK Bank Plc ("HSBC") delayed paying him redress for a mis-selling complaint.

HSBC did eventually pay Mr O the redress, but Mr O is unhappy that it only calculated the 8% simple interest part of the award up to the date it had made the offer, rather than to the date of payment to Mr O.

Mr O wants HSBC to recalculate the 8% simple interest award and pay him the difference.

Mr O also says that because of the delays in the payment being made to him, his representative appointed a debt collector to recover its share of the redress from him. Mr O says that the representative has since registered a County Court Judgment (CCJ) against him.

What happened

On 2 September 2022, HSBC issued its final response letter to Mr O's representative and upheld his complaint about the mis-sale of his packaged account. The letter explained that Mr O's redress was £140.29 and included a payment instruction form, so that Mr O's representative could provide Mr O's bank details for where he wanted the redress to be paid.

HSBC says that it received a response to its final response letter on 18 October 2022. This was a copy of a letter that the representative had sent to Mr O. However, no bank details were included with the letter. Instead, at the top of this letter, it appears that Mr O annotated the letter and said: *"Hi Team I don't have a UK account I moved to Australia"*.

Mr O says he sent a number of letters to HSBC. But HSBC does not have any evidence that it received such letters until February 2023, when Mr O provided his bank details for the redress to be paid into. HSBC attempted to make the payment to Mr O, but the payment was returned unpaid as the bank details provided were incorrect.

Mr O insisted that the bank details were correct, so HSBC attempted to make the payment again, but again it says it was returned unpaid. HSBC says that it contacted the Australian Bank directly and it confirmed that the BIC code that Mr O had been provided with was incorrect.

As HSBC was unable to make the payment, Mr O provided different bank details for an account he holds with a different Australian Bank in April 2023. The redress was subsequently paid.

One of our adjudicators assessed the complaint and they ultimately didn't think that HSBC needed to do anything further. They also explained that Mr O will need to raise his concerns with his representative about its actions regarding the debt collection activity, because HSBC can't be held responsible for the actions of a third party.

Mr O disagreed with the adjudicator.

In an attempt to informally resolve the complaint, one of our adjudicators asked HSBC whether it would be willing to pay the difference in the interest payments to Mr O.

HSBC did not agree to do so. It said that the delays were largely caused by Mr O not providing his bank details after the final response had been issued and that further delays and inconvenience was caused by the wrong details being provided.

HSBC also explained that the amount in question is only around £2.30, and this is much less than the overseas payment fee which it would typically apply to such overseas payments – which HSBC says it had agreed to waive on this occasion. HSBC pointed out that it had waived the fee, even though it had attempted to make the redress payment a number of times for Mr O.

As neither party could agree on the outcome, the complaint 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 reviewed everything, I don't think HSBC needs to do anything more to put matters right in this case.

Mr O says that he'd written to HSBC a number of times. But from the evidence I have seen, it seems the first time HSBC did receive any bank details from Mr O was in February 2023 – which was around 5 months after the final response letter had been sent to his representative.

I'm also mindful that HSBC did attempt to make the payment multiple times. And although Mr O insists he'd provided the correct details, the evidence does indicate that it was more likely the case that the payment failed because HSBC had been provided with the incorrect details. I also think that matters were complicated further given that Mr O was no longer a customer of HSBC, nor did he have a UK address or account, and so HSBC was limited in how it could make the payment to Mr O.

So, in the circumstances of this complaint, I think that a large part of the delay in the payment being made was caused by factors outside of HSBC's control. And so I don't think HSBC is being unreasonable by not paying the extra amount of interest to Mr O – which HSBC equates to be around £2.30. I say this especially as it has agreed to waive its overseas payment fee on the transaction.

I appreciate that this matter has been frustrating for Mr O, in part because it seems that his bank had provided him with the incorrect information. I can also see that it has escalated somewhat because of the actions taken by his representative. However, I can't hold HSBC responsible for the actions of his representative.

Ultimately, the decision by the representative to pursue Mr O for its share of the redress, before it had even been paid to Mr O, is something that Mr O will need to take up with his representative.

My final decision

Because of the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr O to accept or reject my decision before 6 October 2023.

Thomas White
Ombudsman