

## **The complaint**

Mr M complains HSBC UK Bank plc (HSBC) provided poor service leading to a delay in sending a currency payment, resulting in an unfavourable exchange rate being provided.

## **What happened**

Mr M held a US dollar currency account and a sterling servicing current account with HSBC. Mr M says following a visit to his branch in mid -2020 he was informed his bank accounts had been suspended/closed and says he eventually discovered this was a result of inactivity on the sterling current account, although he had never been informed of this previously. In order to sort out this problem Mr M says he made numerous telephone calls over the following few months and in view of the poor service offered by HSBC, and to take advantage of the beneficial exchange rate at the time, at the end of October 2020 Mr M instructed HSBC to close his US dollar account and send the payment to a bank account with another provider. Mr M says the monies never arrived at his bank and after experiencing further poor service and delays from HSBC, Mr M says his other bank informed him, HSBC may have the incorrect standing settlement instruction code (SSI).

In mid-November 2020, Mr M says he emailed HSBC with this information following on from a telephone call he had with a member of HSBC staff. When these funds still hadn't arrived sometime later, Mr M says he made a series of telephone calls to HSBC and lodged a complaint with them about the poor service he had received. Eventually after visiting his branch again, Mr M managed to get a member of HSBC's staff to locate the payment and correct the SSI code and the funds were finally credited to his other bank account on 3 December 2020. Mr M says during the time he could have expected the funds to have been credited to his other bank account in early November 2020, to the actual settlement date, the exchange rate had gone against him, and he was out of pocket by approximately £6,000 plus the cost of international charges of \$75. Mr M wishes to be reimbursed by HSBC for this loss.

HSBC says the problem over the SSI code is due to the recipient bank not updating their payment details as soon as they should have and not due to any error on its part. HSBC also says it wrote to Mr M in January 2020 informing him of the closure of his sterling current account, which may have led to some of the service issues Mr M experienced.

Mr M wasn't happy with HSBC's response and referred the matter to this service.

The investigator looked at all the available information and upheld the complaint. The investigator felt HSBC had been contacted by Mr M on numerous occasions to sort out this issue and due to their administrative errors it was responsible for the delays caused in the payment being delayed. The investigator recommended HSBC pay Mr M £4,356.70 calculated as the exchange rate loss, plus 8% interest on those monies from 4 November 2020 to the date it is paid. In addition, the investigator says HSBC should also pay Mr M £350 for the trouble and upset caused.

HSBC didn't agree with the investigator's view and asked for the matter to be referred to an ombudsman for a final decision.

I sent both sides a provisional decision, where I said:

*I've considered all of the evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*Having done so, I have come to a different outcome to that of the investigator and I will explain how I have come to my decision.*

*I can understand it would have been upsetting for Mr M to have been uncertain as to the whereabouts of a large payment he made, and the delays he experienced in establishing what the cause of this was. When looking at this complaint I will consider if HSBC were at fault for the delay caused in sending the US dollar payment instructed by Mr M to his other bank account.*

*The first thing to say here is part of the service issues experienced by Mr M were a direct result of his sterling account being closed, making it more problematic dealing with HSBC's staff regarding his US dollar account. What is worth mentioning here is although a pre requisite of maintaining currency accounts with HSBC is to hold a servicing sterling current account, I have seen a copy of a letter from HSBC to Mr M dated 12 January 2020 advising him it was their intention to close the sterling current account, due to its inactivity. Although Mr M says he never received the letter, it's reasonable to say this was sent by HSBC, so I can't say Mr M wasn't ever informed of this. That said, while this may have contributed to some of the earlier service issues Mr M refers to, I can't see this had any material affect as to why the US dollar payment took as long as it did to reach Mr M's other bank account.*

*Here, the key issue centres around the correct details provided on the payment itself and specifically the SSI code that both banks refer to. This code helps establish the correct destination of the payment and from what I can see this is something the recipient/correspondent bank are responsible for as they need to advise the swift network of any change in details. HSBC says Mr M's other bank, the recipient, had changed correspondent banks but hadn't made this clear to its customers or other banks, and I am satisfied in all probability that is why they advised Mr M that HSBC may have the wrong SSI code details, when they did back in November 2020. I say this because it's unlikely Mr M's recipient bank would have suggested this if that wasn't the case here.*

*Having said that, what is clear is Mr M sent HSBC an email on 15 November 2020, in which he highlighted the actions required by HSBC to correct the SSI information needed to make the payment. I can see HSBC then resent the payment on 19 November 2020, which was subsequently returned by the recipient bank on 1 December 2020 and finally successfully resent and accepted by the recipient bank on 3 December 2020.*

*So while HSBC resent the payment on 19 November 2020, from the information I have seen I can't see any evidence to show it sent the payment with the amended details provided to them by Mr M, which caused the payment to be returned again by the recipient bank.*

*I should also mention here, HSBC aren't able to tell this service when the SSI information was updated on the swift system, which it says was incorrect. But it's fair to say HSBC were aware of the correct information when Mr M told them what was required on 15 November 2020. So that's where I have an issue with HSBC's actions on the 19 November 2020, as it would be reasonable to expect HSBC to check with the recipient bank that the SSI details were correct at that point.*

*While HSBC may not agree, I propose it re-works the exchange rate as at the 19 November 2020, based on the live exchange rate it would have used that day, and refund Mr M the difference to the exchange rate he received in December 2020. I also propose HSBC should*

*pay 8% simple interest on this sum from 19 November 2020 until paid, and additionally pay Mr M £350 for the trouble and upset caused.*

*While HSBC will be disappointed with my provisional decision, I am satisfied this is a fair outcome here.*

Both Mr M and HSBC responded to my provisional decision, so the case has been passed back to me 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.

I gave both Mr M and HSBC until 9 March 2022 to accept or reject my provisional decision.

HSBC have accepted my provisional decision saying it had nothing further to add. Mr M questioned the exchange rate HSBC will use to calculate the refund due to him, this hasn't been provided to this service, but I will ask the investigator to arrange with HSBC for this information to be provided to Mr M. That said it doesn't alter my decision here, that the date for re-working the exchange rate and any refund due to Mr M as a result, should be based on HSBC's live exchange rate as at 19 November 2020, for the reasons I have already given.

With this in mind I see no need to change or add to my provisional decision and so my final decision remains the same.

### **Putting things right**

I instruct HSBC UK Bank plc to re-work the exchange rate as at the 19 November 2020, based on the live exchange rate it would have used that day, and refund Mr M with any difference to the exchange rate he received in December 2020. I also propose HSBC should pay 8% simple interest on this sum from 19 November 2020 until paid, and additionally pay Mr M £350 for the trouble and upset caused.

### **My final decision**

My final decision is that I uphold this complaint.

I instruct HSBC UK Bank plc to re-work the exchange rate as at the 19 November 2020, based on the live exchange rate it would have used that day, and refund Mr M with any difference to the exchange rate he received in December 2020. I also propose HSBC should pay 8% simple interest on this sum from 19 November 2020 until paid, and additionally pay Mr M £350 for the trouble and upset caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 6 April 2022.

Barry White  
**Ombudsman**