

## **The complaint**

A company which I refer to as T complains about HSBC UK Bank Plc's delay in returning a failed CHAPS payment to its account.

In bringing this complaint T is represented by its director who I refer to as Mr P

## **What happened**

The background to this case is familiar to the parties so I won't repeat it in detail.

Briefly, in January 2021, T which is also a solicitors' practice acted for a client in the sale and purchase of a property.

On 14 January 2021, following the completion of the transaction, T sent £140,000 representing the balance of the sale proceeds to its client. However, the following day, on 15 January 2021 the receiving bank returned the funds to HSBC. Instead of returning the funds to T's account, HSBC credited them to a suspense account. The funds were eventually returned to T's account on 12 February 2021.

Mr P said he and other members of T's staff spent several days calling the bank to find out what had happened to the funds when in fact, his time could have been spent more productively for T.

HSBC acknowledged that they delayed returning the funds to T and to compensate it for that delay the bank offered T £200. Mr P didn't think that was enough to put things right. He believed something in the order of £5,000 would be more appropriate to better reflect the costs and inconvenience caused by the bank's delay. HSBC didn't agree and so T referred the complaint to this service.

Our investigator said she had to determine the compensation that was properly due to T on the basis of the impact of HSBC's delay on T, the limited company. With that in mind, she didn't think that the bank's error caused any loss of business to T.

However, she wasn't persuaded the £200 HSBC had offered sufficiently compensated T for the impact. She believed £400 overall was more appropriate and so she recommended that HSBC pays T an additional £200 on top of the amount they'd already offered.

HSBC accepted the investigator's recommendation, but T did not. On its behalf Mr P said he didn't think the investigator had properly identified T's complaint which had more to do with the bank's delay returning the funds to T rather than any delay making the payment to its clients as the investigator suggested. More importantly, however, he believed that ultimately HSBC's delay cost T far more in time and effort than the £400 the investigator recommended and that an ombudsman should therefore review the matter.

## **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.

It is accepted that there was delay in HSBC returning the funds to T. So, the outstanding issue for me to consider is really what is fair compensation to T as a result of this delay.

Our investigator was of the view that the fair compensation should be £400. Mr P hasn't accepted it.

I've considered carefully Mr P's submissions. I note that a key reason why Mr P believes a higher compensation is warranted is largely because of the cost of his own time spent when trying to secure the return of the funds

I can see it took a little under four weeks from the time the receiving bank returned the funds to HSBC to the return of those funds to T. Mr P has explained that during that time he and other members of T's staff made many phone calls to HSBC to chase things up. He says many e-mails were also sent to HSBC, who on 20 January 2021 promised the funds would be returned to T's account within a couple of days. And according to Mr P, he expected the funds to have been returned by the latest 25 January 2021. But of course, a further 14 working days went by before that happened. Mr P says that his hourly rate is £250 and so allowing for this, fair compensation ought to be a lot higher than has been recommended by the investigator.

Mr P hasn't produced a list of the calls that were made and e-mails that were sent to HSBC. And nor have I seen details of the actual cost of those calls. Nonetheless, HSBC's internal records show the bank did receive phone calls from T - including on 21 January 2021, 2, 5, and 10 February 2021 as well as e-mails on 28 and 29 January 2021.

I am satisfied therefore that Mr P did spend time chasing HSBC for the return of his clients' funds and by extension T was inconvenienced as a result. I also understand why Mr P considers the compensation ought to be a lot higher when aligned to his own hourly rate.

However, in instances like this, when considering the time spent by a director trying to put right an error by a bank and how their company was inconvenienced as a result, we don't usually for example, look at that person's hourly rate. Instead we'll look at the overall impact the bank's error had on the company. With that in mind I can see this matter took a little under four weeks to resolve. During that time, T pressed HSBC to resolve the matter and in response to T's correspondence, the bank assured T they were trying to do so. The funds were returned within approximately 10 working days from T's 29 January 2021 email. But, overall, it shouldn't have taken the time that it did, and so I can understand Mr P's frustration

## **Putting things right**

Having carefully considered this, in all the circumstances of this complaint I am satisfied that a payment of £400 is fair and reasonable for the inconvenience HSBC's delay caused to T

## **My final decision**

My final conclusion is I uphold this complaint. Subject to deductions of any amounts already paid to T, I therefore require HSBC UK Bank Plc to pay T £400 in full and final settlement of this complaint

Under the rules of the Financial Ombudsman Service, I'm required to ask T to accept or

reject my decision before 11 July 2022.

Asher Gordon  
**Ombudsman**