

## **The complaint**

Ms N is unhappy that HSBC UK Bank Plc cancelled her international monetary transfer instruction such that she had to reinstruct it, leading to an exchange rate loss of £236.18.

## **What happened**

On 23 June 2021, Ms N instructed a transfer of £40,000 to an overseas account. The transfer was flagged for security checks by HSBC, who attempted to contact Ms N on 25 June 2021. Later that day, having not been able to contact Ms N, HSBC cancelled the instruction, meaning that Ms N had to resubmit it.

Because of a change in exchange rates, when Ms N did resubmit the transfer request she had to instruct a transfer of £40,236.18 in order to ensure that the recipient received the amount of money post-transfer as she'd originally intended. Ms N wasn't happy that she'd had to incur this additional cost, so she raised a complaint.

HSBC looked at Ms N's complaint. They felt that the transfer instruction had been legitimately flagged for further security checks and apologised to Ms N for not contacting her sooner to try to verify the instruction. HSBC also made a payment of £30 to Ms N to compensate her for any inconvenience incurred. But HSBC didn't make a payment to Ms N to cover the exchange rate loss of £236.18 as she wanted.

Ms N wasn't satisfied with HSBC's response, so she referred her complaint to this service. One of our investigators looked at this complaint. But they also felt that it had been reasonable for HSBC to have flagged the transfer instruction for further checks, and they didn't feel that HSBC had acted unfairly towards Ms N in how they'd managed the situation. So, they didn't uphold Ms N's complaint.

Ms N remained dissatisfied, so the matter was escalated to an ombudsman for 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 issued a provisional decision on this complaint on 5 May 2022 as follows:

*HSBC have confirmed that the transfer instruction was flagged for further verification on 23 June 2021, the day that Ms N instructed it. However, HSBC didn't then attempt to contact Ms N and verify the legitimacy of the instruction with her until 11:12 am on 25 June 2021. Additionally, HSBC then cancelled the transfer instruction later that day at 14:27 – only three and a quarter hours after first attempting to contact Ms N about it.*

*This doesn't feel fair to me, and while I can appreciate that HSBC may have had a high volume of similarly flagged payments at that time which hindered them from*

*contacting Ms N sooner about this, I don't feel that Ms N should be asked to bear the cost of the exchange rate loss that she incurred because of this.*

*If HSBC had attempted to contact Ms N sooner than they did – and had therefore given Ms N a reasonable opportunity to respond and to verify the instruction before it was cancelled – then I would be finding in HSBC's favour here.*

*But I don't feel that attempting to contact Ms N just over three hours before the instruction was cancelled, on a Friday mid-morning when it's understandable that Ms N might not be immediately available, does constitute the provision of a fair and reasonable amount of time for Ms N to respond.*

*As such, my provisional decision here is that I will be upholding this complaint in Ms N's favour and that HSBC must make a payment of £236.18 to reimburse Ms N the additional cost of the transfer that I feel she's unreasonably had to bear.*

In my provisional decision letter, I gave both Ms N and HSBC the opportunity to provide any comments or new information they might wish me to consider before I moved to a final decision. Ms N confirmed that she was happy to accept my provisional decision, whereas HSBC did raise some points for my consideration.

The first of HSBC's points was that they felt they had attempted to contact Ms N within their published timeframes. I don't dispute this, but I don't feel that HSBC provided Ms N with a reasonable opportunity to respond after the attempted contact attempt before they cancelled the transfer instruction, as explained in my provisional decision letter. And given that HSBC had identified the need to contact Ms N two days earlier, I feel that HSBC could have provided Ms N with more time to respond than they actually did here.

HSBC also point out that when they did speak with Ms N in the evening of 25 June 2021, after the transfer had been cancelled, that Ms N didn't immediately reinstruct the transfer, and only did so three days later on 28 June 2021. And HSBC feel that this three-day delay would have contributed to the difference in transfer amounts

But 25 June 2021 was a Friday, meaning that 28 June 2021 was a Monday - the next available working day. And given that Ms N wasn't able to speak with HSBC until after the close of the working day on Friday 25 June 2021, I don't feel that the 'three day' delay is as consequential as HSBC allege here – given that foreign exchange markets don't operate on weekends, that HSBC themselves wouldn't have answered Ms N's call if she had tried to contact them the following day, Saturday 26 June 2021, and that even if Ms N had asked for the transfer to be reinstructed on the evening of Friday 25 June 2021, that request wouldn't in all likelihood have been progressed by HSBC until the next available working day, which was Monday 28 June 2021, when Ms N did provide that instruction to HSBC.

Ultimately, after taking HSBC's points into consideration, it remains my position that I don't feel that it's fair for Ms N to have been only been given what I consider to be an unreasonably short amount of time to respond to HSBC's contact attempt before the transfer that she'd requested was cancelled by HSBC. And it follows from this that my final decision here will be that I'm upholding this complaint in Ms N's favour on the basis as outlined previously in my provisional decision letter.

**Putting things right**

HSBC must make a payment of £236.18 to Ms N to reimburse to her the additional cost of the transfer that I feel she's unreasonably had to bear.

**My final decision**

My final decision is that I uphold this complaint against HSBC UK Bank Plc on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms N to accept or reject my decision before 2 June 2022.

Paul Cooper  
**Ombudsman**