

The complaint

Mr N is complaining that HSBC UK Bank Plc misled him about the exchange rate he'd receive when he transferred funds from his foreign currency account to his bank account.

What happened

Mr N received a large transaction in euros into his foreign currency account with HSBC. He says he tried to transfer the funds to his bank account using online banking around June 2021, but was unable to do so. He says he thought it was a technical glitch, so after a couple of weeks of attempting the transfer he tried to call HSBC, but didn't speak to anyone at that time.

In October 2021 Mr N visited a branch of HSBC to make the transfer. On 15 October 2021 a member of staff at the branch identified that his currency account had been made dormant in line with the terms and conditions of its use - and it was this that was preventing the transfer. They arranged for Mr N's account to be reactivated. They told Mr N he should be able to complete the transfer online after three days, but Mr N says he still wasn't able to do this, so he went back to the branch on 19 October 2021. He spoke to an adviser to arrange the transfer and completed a transfer form which showed the exchange rate that would be used.

Mr N says he explained to the adviser that he wasn't able to read the small print on the form. He says he asked if he was receiving the best available exchange rate and the adviser said he was. The adviser wrote the sterling amount Mr N would receive into his bank account in a larger size on the form. Mr N signed the form to agree to the transfer.

Shortly afterwards Mr N contacted HSBC by phone about the exchange rate that was used for the transfer. He said he thought he'd been misled about it being the best rate available. When he spoke to an adviser on the phone about the rate he'd received he initially found her helpful, but said he felt that she changed her tone to become almost threatening when she heard he had a foreign accent.

Mr N complained to HSBC. He said he'd been misled about the exchange rate he'd received being the best one available, and that he'd been discriminated against by the adviser he spoke to because of his "foreign and asperger's accent." HSBC didn't uphold Mr N's complaint so he brought it to our service.

Our investigator looked into Mr N's complaint. She didn't think HSBC had misled him about the exchange rate, and she also explained that she didn't think the adviser had treated him differently because of his accent or tone of voice, or that she changed her position on his complaint during the call. But she did think HSBC should have let Mr N know that his currency account was going to be made dormant. She asked HSBC to pay Mr N £300 for this, and they agreed.

Mr N remained unhappy with the outcome of the complaint, so it's now been passed to me for review and 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 done so, I agree with the outcome reached by the investigator. I'll explain why.

I don't think HSBC misled Mr N when they told him he would be getting the best exchange rate. This is because, as the investigator's explained, there was only one rate available to Mr N at the time he requested the transfer. So he couldn't have chosen a different exchange rate instead. The adviser set out how much Mr N would receive in sterling in a way he could read it, and he agreed to go ahead on that basis. So I don't think HSBC have treated him unfairly here.

Mr N says he could have received a better exchange rate if he'd been able to make the transfer at an earlier point. He's supplied us with some screenshots to show he attempted to do this online in June 2021, but didn't have access to online banking to do this. HSBC says this was because his account was dormant.

I do appreciate that it's possible Mr N would have got a better exchange rate if he'd been able to make the transfer earlier – and he didn't know why he couldn't make the transfer online at that time. But he was aware he couldn't do the transfer online in June 2021, and didn't speak to HSBC to try to resolve this at the time. Looking at what he's told us about when he first visited the branch to attempt to make the transfer, this wasn't until around three or four months afterwards.

I think if Mr N had spoken to HSBC on the phone or visited the branch after he first attempted the transfer online in June 2021, it's likely the account would have been reactivated so he could have made the transfer sooner. But Mr N didn't pursue this further at that time, so I don't think it would be fair to ask HSBC to provide him with the exchange rate that would have applied if he'd made the transfer then.

HSBC have told us they should have sent a letter to let Mr N know his account was being marked as dormant, but they didn't. I think it would have been useful for Mr N to have known earlier that this was the reason he couldn't make the transfer online, but I don't think this means he would have been able to make the transfer earlier as he'd still have needed to arrange with HSBC to reactivate the account before he could do so. The investigator asked HSBC to pay Mr N £300 for having failed to notify him of the dormancy, and HSBC have agreed to pay this. I think this is fair and reasonable in all the circumstances.

I'm sorry to learn of Mr N's experiences of racism in the past, and that he feels HSBC's adviser was influenced by his race when she gave him the outcome of his complaint. I've listened to the call between him and the adviser, and I didn't detect any change in the tone she used to speak to Mr N during the call. I don't think he's been treated any differently from any other customer in how HSBC answered his complaint. So, I don't think HSBC have treated him unfairly here. I hope this goes some way to reassuring Mr N that he hasn't received a poorer service from HSBC due to his race.

My final decision

My final decision is that I uphold Mr N's complaint and HSBC UK Bank Plc should pay him £300.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 3 September 2022.

Helen Sutcliffe
Ombudsman