

The complaint

Ms W is unhappy that when HSBC UK Bank Plc transferred money to her overseas account they exchanged the amounts into the local currency, when she'd instructed them to complete the transfers in UK Sterling ("GBP"), which her overseas account could accept.

What happened

Ms W transferred £40,000 from her HSBC account in the UK to an overseas account that could accept and hold GBP. A few days later, Ms W made a second transfer on the same basis, this time for £43,000.

Ms W instructed HSBC to transfer the money in GBP, because she needed to make a large transaction in GBP in the overseas territory. However, when HSBC completed the transactions, they converted the sent money into the local currency, meaning that Ms W had to convert it back into GBP when she received it. Ms W wasn't happy about this, especially as it meant she lost money resulting from two sets of currency exchange rates and fees. So, she raised a complaint.

HSBC looked at Ms W's complaint. They accepted that they'd completed the transfers in the wrong currency, and they apologised to Ms W for this and made a payment of £75 to her as compensation for any trouble and upset she may have incurred and a further payment of £30 to cover Ms W's telephone costs.

HSBC also explained that they'd be willing to reimburse Ms W for any losses incurred because of their mistake, so long as these losses could be demonstrated to them, for instance via Ms W's overseas bank account statements. Ms W wasn't satisfied with HSBC's response, and noted that she'd already provided HSBC with documents from her overseas account which detailed the received transfers. So, she referred her complaint to this service.

One of our investigators looked at this complaint. But they felt that HSBC's response to Ms W's complaint, including that HSBC would look to reimburse Ms W for any losses she'd incurred so long as those losses could be demonstrated, was reasonable. And they didn't feel the information that Ms W had sent HSBC did demonstrate her losses as HSBC reasonably required. So, they didn't uphold the complaint. Ms W 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 13 December 2022 as follows:

HSBC don't dispute that they made a mistake here in that they exchanged the transfer amounts into the local currency, which Ms W has explained she then had to exchange back into GBP, thus receiving a lower amount of GBP than she should have done as a result of the two currency exchanges.

HSBC have confirmed that they'd be willing to reimburse Ms W the losses she incurred because of this – specifically, HSBC would be willing to reimburse to Ms W the amount of GBP needed, after Ms W exchanged the transfer amounts received in the local currency back into GBP, so that Ms W had the amount of GBP she should have had, if HSBC had transferred the amounts in GBP as instructed.

To this effect, HSBC have asked Ms W to provide copies of her overseas bank statements or similar which show the GBP amount that Ms W received having transferred the overseas currency back into GBP, so that the losses can be calculated. This seems reasonable to me, and I wouldn't expect or instruct HSBC to make a payment to Ms W for her claimed losses without Ms W being able to document and prove those losses.

This service has also asked Ms W to provide the documents needed to confirm the losses she's incurred here. But while Ms W has provided some documents which confirm some of the losses that she's claimed, she hasn't yet provided the documents necessary to confirm all the losses that she claims.

Specifically, Ms W hasn't been able to provide the necessary information to confirm what happened to the first transfer amount for £40,000.

Regarding the second transfer, for £43,000, the information that Ms W has provided so far demonstrates the following:

- Ms W transferred £43,000 which was received into her overseas account as 481,433.18 units of the local currency.*
- Approximately three weeks later, Ms W transferred 100,000.00 units of the local currency out of her account.*
- That same day, Ms W exchanged 380,639.95 units of the local currency into GBP, for which she receives £31,986.55*

Considering the above, in regard to the 100,000 units of the local currency that Ms W transferred from her account, I'm satisfied that HSBC shouldn't be instructed to cover any losses in regard to that amount. This is because Ms W appears to have used that amount in the local currency and not exchanged it back to GBP.

Regarding the 380,639.95 units of the local currency Ms W did exchange back to GBP, this equates to 79.06% of the 481,433.18 units of that currency she received relating to the transfer of £43,000.

I therefore feel that a reasonable way that Ms W's confirmed loss could be calculated is as the difference between the £31,986.55 she received – having exchanged 79.06% of the received transfer amount back to GBP – and 79.06% of the original transfer amount of £43,000, which is £33,995.80. This loss calculation equates to an amount of £2,009.25.

As such, my provisional decision here is that I'll be upholding this complaint in Ms W's favour and instructing HSBC to make a payment to her of £2,009.25 to cover the losses she incurred as described above.

However, my provisional decision won't include any instruction to HSBC regarding the other transfer amount of £40,000, because Ms W hasn't been able to provide the

necessary documents to confirm how much GBP she received upon exchanging the amount of local currency received in relation to that £40,000 transfer back to GBP.

Finally, I note that HSBC have already made payments of £75 and £30 to Ms W relating to compensation for the trouble and upset that she's incurred here and for overseas telephone costs respectively. These payments seem reasonable to me, and I won't be provisionally instructing HSBC to do anything more in regard to these points.

In my provisional decision letter, I gave both Mrs W and HSBC the opportunity to provide any comments or new information they might wish me to consider before I moved to issue a final decision. Neither party provided any comments for my review, and so I see no reason not to issue a final decision upholding this complaint on the basis as outlined above. And I therefore confirm that I do uphold this complaint on that basis accordingly.

Putting things right

HSBC must make a payment of £2,009.25 to Mrs W.

My final decision

My final decision is that I uphold this complaint on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms W to accept or reject my decision before 8 February 2023.

Paul Cooper
Ombudsman