

The complaint

Mr W says HSBC UK Bank Plc gave him incorrect information about the fees and clearing time for international cheques.

What happened

Mr W opened an HSBC currency account in May 2022. He then made a number of calls through May and at the start of June checking the account details; the fees involved in paying in cheques and the timescales. The bank confirmed the cheques would need to be paid in within three months and that there may be fees charged by the third-party clearing bank but that it could not confirm what these may be. As both parties are familiar with the details of these calls I need not set them out in more detail here.

There was then a final call on 9 June 2022 from one of the bank's branches. Mr W says on this call he was told there would be no costs associated with paying in the cheques and they would clear in five working days. But he was then charged fees of over £3,600 and the cheques took 20 working days to clear. Mr W says this meant he could not access his funds when he planned to and he lost out on a better exchange rate costing him around £12,700. He was also unable to redeem his mortgage as planned which created a further financial loss of around £600. Mr W wants HSBC to cover these financial losses.

HSBC has explained calls from branches are not recorded but it says, however, it would not have told Mr W the cheques would clear in five days. It says it isn't liable for any losses Mr W incurred relating to exchange rate movement, cheque processing fees or additional mortgage interest. It says the branch staff member that called Mr W is experienced and he is aware that timescales for international cheques clearance are not advised by branch at the time of deposit as a matter of policy.

Our investigator did not uphold Mr W's complaint. She said it was clear from the call recordings we had that Mr W wanted to be sure he had all the right information before paying in the cheques. But from the available evidence she could not see that HSBC had told Mr W there would be no fees or that the clearing period was five days. She was satisfied it had explained the third-party clearing bank may charge fees and it could not control this. And she had not heard it confirm the timescales on the available calls. She said the terms and conditions of Mr W's currency account make clear that third-party fees may have to be paid, and also that there may be a wait to ensure cheques are not returned unpaid.

Unhappy with this assessment Mr W asked for an ombudsman's review. He maintains he was told by the branch, when it called back on 9 June 2022, that there would be no fees and the clearing time would be five working days. He has suffered significant financial losses as a result of being misinformed by HSBC and is concerned there is no recording for the one key call.

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.

Where the evidence is incomplete or contradictory (as some of it is here) I have reached my decision based on the balance of probabilities. In other words, what I think is most likely based on the available evidence and the wider circumstances.

I am not upholding Mr W's complaint, I'll explain why.

I can see that Mr W called the bank on 9 June 2022 to be sure he fully understood the process for banking international cheques once he was back in the UK. As the adviser he spoke to could not answer all his questions she arranged for a call back from the branch he would be depositing the cheques at.

This call is not available as HSBC does not record branch calls. I can understand that this is very frustrating for Mr W, but I have seen no evidence that it is for any other reason than this is HSBC's policy.

I don't doubt Mr W's testimony that he was told there would be no fees and a five-day timescale to be his honest recollection of the call. But the bank's evidence is contradictory as it says its policy is for branches to never provide timescales for international cheque clearance and the branch employee that called Mr W is experienced. Without a call recording I cannot know what was said on the call, so I have gone on to consider the wider circumstances.

On an earlier call on 30 May 2022 HSBC confirmed to Mr W that there may be fees charged by the third-party clearing bank – and the terms and conditions of the currency account make clear this is the case. So from the available evidence I think the bank had correctly advised Mr W that he may incur fees, and that it could not control this or confirm them.

With regards the five-day timescale, I cannot find any reference to this on any of the earlier calls, nor is this a service level set out in the terms and conditions. The bank's policy not to give customers a timescale for international cheque clearance suggests to me it is unlikely a branch member committed to this timescale.

Overall, based on the available evidence, I cannot conclude that HSBC misinformed Mr W. This means I cannot hold it liable for any of the losses Mr W has outlined. I know this will be very disappointing for Mr W but I have to reach my decision based on the available evidence. I can see he took steps to research the process before using it, but ultimately the terms and conditions set out how HSBC handles international cheques, and the bank has acted in line with those provisions.

My final decision

I am not upholding Mr W's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 3 April 2023.

Rebecca Connelley
Ombudsman