

The complaint

Mr M has complained that he experienced difficulties when sending large amounts of Euros abroad from a HSBC UK Bank Plc ("HSBC") Global Money Account.

What happened

Mr M purchased a property abroad and went to send the deposit for the property (€19,000) from a HSBC Global Money Account on 12 December 2022. Mr M says HSBC contacted him to ask him questions about the payment, which resulted in the payment being declined. Mr M complained and received a call from HSBC on 13 December 2022, and the payment was successfully processed.

Mr M then transferred £190,000 to his Global Money Account on 5 January 2023 and converted the money into Euros on 9 January 2023, ready to be transferred to the overseas law firm handling the sale of the property.

However, the Global Money Account had a daily transfer limit of £50,000 (or currency equivalent). This led to Mr M then having to transfer the money back into his Premier account (which was £188,613 after it was converted back into British pounds) so that he could make the payment from that account instead.

In response to Mr M's complaints, HSBC agreed to pay Mr M a total of £1,619.98. This reflected the £1,387 that Mr M lost due to changes in the exchange rate between when he first converted £190,000 into Euros, and how much he got back when he transferred it back into Premier account. It also included a further £232.98 that Mr M had to pay on top of the original £190,000, to pay the necessary amount needed in Euros.

After Mr M referred his complaint to our service, HSBC agreed to also pay Mr M £150 in recognition for the distress and inconvenience Mr M experienced when trying to make the transfer over the phone.

One of our adjudicators assessed the complaint and overall they thought that what HSBC had offered to put matters right was fair.

Mr M disagreed, so the matter was referred for an ombudsman's 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 considered everything, overall I think that what HSBC has offered to do is reasonable in the circumstances.

Initial deposit payment blocked

To pay for the deposit on the property that Mr M was purchasing, Mr M transferred money into his Global Money Account, converted the amount into Euros and made a payment to the law firm handling the sale of the property. However, HSBC blocked the pending payment and asked Mr M to get in contact.

I have listened to the initial call Mr M had with HSBC about the blocked payment. It's clear that the reason why HSBC blocked the payment was because it suspected that Mr M was potentially being scammed.

Mr M has said that he found the conversation to have been unusual. But it is the case that the requirements on banks to protect customers from being scammed are much more onerous than they used to be. And it is now unfortunately the case that scammers will sometimes go so far as to coach the victim in how to answer the questions from their bank's fraud checks. So it can be very difficult for a bank to determine whether the answers given by the account holder during a fraud check are correct or are deliberately misleading so as to let the payment be made. I think this explains why some of the questions may've come across as being intrusive and at times, odd.

I recognise that Mr M was exasperated at the fact that he'd given a clear explanation about the circumstances surrounding the payment, and had explained that he'd done his own due diligence into the company he was sending the money to. Yet the payment was still blocked.

However, it is the case that HSBC only blocked the payment to protect Mr M. There are currently many scams in operation where people are being asked to send large amounts (or smaller amounts followed by larger amounts) of money to unknown bank accounts in return for various so called 'assets' such as bitcoin, shares, property etc. And certain aspects of the circumstances surrounding the transaction that Mr M made fit that criteria. So I can understand why the member of staff may've been reluctant to release the payment.

I have also listened to the phone call Mr M had with HSBC on the following day. In that call HSBC acknowledged Mr M's frustration. And after asking a number of questions, HSBC was satisfied that the payment was genuine. HSBC removed the block from Mr M's account, asked Mr M to make the payment again and then manually removed the block from the second attempted payment, whilst Mr M was on the call.

Overall, I think the first call could've been handled better. I think that the member of staff should've taken on board what Mr M had said about the steps he'd taken to ensure the payment was for a legitimate cause and was to the correct bank account. But having said that, I also think that when Mr M called HSBC on the following day, HSBC took reasonable steps to understand the issue and resolve matters quickly for Mr M.

So in the circumstances, whilst I recognise that it was frustrating for Mr M, I don't think it would be appropriate to award compensation because of the block that was initially placed on the deposit payment in this case.

Exceeding the payment limits of the Global Money Account (GMA)

I understand that the GMA is an app based account that allows account holders to convert British pounds into other currencies, and to hold those other currencies within the account. It also allows account holders to transfer money to overseas accounts in different currencies. But, from everything I have seen, it's clear that there is a £50,000 (or currency equivalent) daily limit on overseas transfers from the GMA.

Mr M has provided screenshots from HSBC's app, which he says suggests you can make transfers from the GMA above £50,000 if done over the phone. I've looked into this, but it seems that Mr M has provided information about the general limits that apply when making international transfers from HSBC current accounts - rather than from the GMA specifically. When looking into this issue, everything I have seen (including archived version of HSBC's

website from January 2023) indicates the literature made it clear that there was a daily limit of £50,000 for international transfers from the GMA specifically. It was only when making transfers outside of the GMA i.e. from HSBC current accounts, could Mr M make international transfers of more than this amount over the phone (I understand the phone limit is £10m as he is a Premier account holder).

Having listened to the various conversations Mr M had with HSBC, Mr M was clearly aware of the limit on the GMA from the outset. It is unfortunately the case that Mr M incorrectly thought that the limit didn't apply if he made the transfers by phone from his GMA. But as outlined above, that is not the case. The GMA is app based, so as far as I can see, GMA transfers can only be made via the HSBC's app.

Overall, I think that it would've been helpful had HSBC reminded Mr M that the GMA only operated via the app, during the conversation that Mr M had with HSBC's fraud department on 13 December 2022. In that call, Mr M mentioned the limit (although incorrectly said it was £30,000) and the fact he needed to transfer a large amount to complete on his property purchase soon. In response, the member of staff said that Mr M could call the customer service number and ask them to make the payment on his behalf. What the member of staff said was correct – to make an international transfer of more than £50,000 Mr M needed to make the transfer via telephone banking (and this was ultimately how Mr M made the transfer). But I think it could've been made clearer that Mr M could only do that from his Premier account and not the GMA – which was the account that Mr M was discussing.

This understanding led to Mr M transferring £190,000 into his GMA on 5 January 2023. Unfortunately, Mr M exchanged that amount into Euros before calling HSBC on 9 January 2023 to make the transfer to the overseas account. But when Mr M went to make the transfer in Euros over the phone on the same day, he was told he couldn't as the amount he wanted to transfer to an overseas account exceed the daily limit for the GMA.

During the calls that followed, Mr M repeatedly said that the members of staff he spoke to didn't understand the products and needed more training. But having listened to the calls on 9 and 10 January 2023, the members of staff he spoke to all correctly told him that he couldn't make the transfer from the GMA as it exceeded the daily limit. It seems there was some hesitancy about this, but only because Mr M said that he'd previously been told by a member of staff that he could. So, the members of staff he spoke to, understandably, double checked to ensure there was no way around this issue and that what they were saying was correct.

In an attempt to resolve matters and to avoid having to move the money back out of the GMA, the members of staff did suggest Mr M make the payments from his and his wife's GMA's over a couple of days. It was explained there would be no extra cost to do it that way and Mr M already had the money in Euros by that point so it would've been a fairly straightforward process. Overall, I think that HSBC did try to help Mr M in providing an alternative solution if he didn't want to lose the exchange rate that he'd got through the GMA. But Mr M didn't want to pursue that option. Mr M said the law firm he was sending the money to was expecting it to be paid in one transaction, so was reluctant to entertain the idea of sending it in multiple transfers.

This resulted in Mr M having to transfer the Euros back into his Premier account, and then make the transfer to the overseas account from there. When Mr M transferred the Euros back to his Premier account, he only received £188,613. And when he made the overseas transfer from his Premier account, he paid £190,232.98. So, Mr M lost £1,387 in transferring the £190,000 worth of Euros back to his Premier account, and had to pay an extra £232.98 to ensure the correct figure in Euros was paid.

I think that HSBC's offer to pay Mr M £1,619.98 fairly reflects his costs in getting the money back into his Premier account to make the transfer, which subsequently went through the following day, on 10 January 2023.

I recognise that Mr M was on the phone for quite some time, to see if the GMA daily limit could be circumvented. When it became apparent that it couldn't, Mr M then spent further time on the phone arranging for the money to be transferred from his Premier account, and speaking to HSBC's fraud department again. Given the time pressures of the payment, I recognise that it would've been stressful for Mr M, and I think the £150 offered by HSBC for this is not unreasonable in the circumstances.

Finally, I note that when Mr M made the payment from his Premier account, he received a worse exchange rate compared to what he'd received converting Pounds to Euros in the GMA. Mr M says that HSBC should reimburse him for this loss, which he estimated to be around £10,000.

Having considered this point, the difference was a fair bit less than £10,000 that Mr M originally said. It looks to have been closer to around €4,000. However, when deciding what detriment, if any, Mr M has suffered, I need to decide what was likely to have happened had things gone as they should've i.e. Mr M hadn't attempted to make the transfer via his GMA.

Having considered everything, I think it's most likely the case that Mr M would've still made the transfer through his HSBC account. I say this as Mr M has said that it was important to him to make the transfer securely through his own bank, rather than through a currency broker, due to the large amount of money involved. And in the circumstances, I can see why Mr M would be wary about using a company he may not have had previous experience of before to transfer such a large amount of money to an overseas bank account.

So it is the case that Mr M was never able to have made the transfer in one go through the GMA, and Mr M didn't want to make smaller transfers over a couple of days from his and his wife's GMA. Therefore, Mr M would never have been able to receive the better exchange rate that the GMA provided. So in the circumstances, I can't reasonably say that Mr M would necessarily have been able to make the transfer at a better exchange rate with HSBC than what he ultimately received.

Because of this, I think that what HSBC has already offered to put things right is fair and reasonable in the circumstances of this complaint. I understand that HSBC has already paid Mr M the £1,619.98. So all that is left to pay Mr M is the additional £150 compensation for the telephone calls that he had to make to get the transfer processed.

Putting things right

In addition to what it has already paid Mr M, HSBC should also pay Mr M £150 compensation for the distress and inconvenience he experienced.

My final decision

Because of the reasons outlined above, I uphold this complaint in part and require HSBC UK Bank Plc to do what I have outlined above, to put matters right in this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 16 November 2023.

Thomas White
Ombudsman