

The complaint

Mr N complains that HSBC UK Bank Plc delayed in carrying out a transfer of a large sum in U.S. dollars to his stockbroker, leading him to not being able to receive profits on a number of proposed investments.

What happened

In March 2022 Mr N received a substantial sum in U.S. dollars (over \$1 million) from the sale of some land, which he paid into his HSBC currency account. In September 2022 he requested HSBC by phone to transfer that sum to his broker in America. He was told he had to make a specific request in writing. He provided that request in mid-October 2022. However HSBC used an incorrect sort code and the information was not sent to Mr N's branch until two months later. The branch assumed that the payment had been made and did not check up on it until Mr N queried it. As a result the transfer was not made until 21 February 2023.

HSBC offered to pay Mr N £750 for his distress and inconvenience. However he rejected this as he asserted that, because he had intended to buy shares with the transferred funds, he had lost around \$180,000 in lost profits.

On referral to the Financial Ombudsman Service, our Investigator asked Mr N for proof of his losses. He asserted that he had intended to buy shares in certain companies and start up shares in another company. He gave the names of two brokers that he used. Our Investigator contacted those brokers but following that advised that he was not satisfied that Mr N proposed to invest in those particular companies or that he would have made the profits he had set out. He said that HSBC's offer of compensation was reasonable

The matter has been passed to me for further consideration.

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.

It is undoubtedly the case that HSBC did not carry out Mr N's request for the transfer of funds to his stockbroker at the time he asked for it to do that. I think it is also clear that as a result there was a substantial delay in carrying out the transfer, which was at least four months.

However in respect of the substantial losses Mr N asserts he made, I would have to be satisfied that it was most likely that he would have invested in the companies he mentioned to our Investigator, and that he would have invested sufficient sums in order to have made the sort of profits he says he lost. And that it was likely that he would have then had those profits available to him to encash. Our Investigator contacted two stockbrokers that Mr N had given the names of. One such stockbroker was unable to help as he hadn't had any recent dealings with Mr N. The other broker advised that Mr N did regularly invest in the market and would ring up every day for details of prices of shares, although mostly those already in his

portfolio. However that stockbroker was not aware that Mr N had wanted to invest in any particular company nor of any intention on Mr N's part to buy start-up shares in any company. He also indicated that although Mr N had transferred a substantial sum to his account it was unlikely, given Mr N's normal pattern of trading behaviour, that he would have invested the entire sum at once.

From the point of view of any financial loss, I think it has been established that Mr N did regularly invest in the US stock market. However from our Investigator's conversation with this stockbroker, I can't say that he has made a particular financial loss. Whilst the company names he has provided might have generated a profit over the four months that Mr N was waiting for his funds to be transferred, his stockbroker was not aware of any proposal by him to invest in those companies. Nor am I persuaded that Mr N would have made anything like the financial loss he says he has. I also have to consider whether it would have been likely that Mr N would have sold the shares to make available the profits to him at the end of those four months. I think that is a hypothetical question which it is not possible to answer.

So overall, I'm not satisfied that Mr N intended to invest in the companies he mentioned to our Investigator or that he would have invested the entire sum transferred at once. Nor am I satisfied that there is any evidence that the shares would have made the sort of profit he contends he has lost.

I do think that Mr N lost the opportunity to invest and that that caused him a high degree of distress and inconvenience. I note that HSBC has offered £750 compensation which I think is fair and reasonable in the circumstances of this case.

Putting things right

HSBC should pay Mr N £750.

My final decision

I uphold the complaint and require HSBC UK bank Plc to provide the remedy set out under "Putting things right" above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 13 November 2023.

Ray Lawley
Ombudsman