

The complaint

Mr R complains HSBC UK Bank plc (HSBC) failed to trace an overseas transfer he made into his account with them and unfairly blamed the sending bank for its non-receipt causing him over several months, stress, upset and unnecessary travel expenses.

What happened

Mr R says in early October 2022 he sent a payment for USD \$2,400 from his overseas bank account to his account with HSBC. When the funds never arrived, Mr R says he took this up with HSBC who informed him the funds had never been received and he should chase the sending bank. Mr R says over several months of chasing both HSBC and the sending bank, it was finally accepted by HSBC it had received the funds but was unable to allocate the payment as it didn't contain the correct account details.

Mr R says during this time he had no other choice other than to take a trip overseas to the sending bank at their request, and at the time of the complaint after over six months, he had still not received the funds into either his overseas or HSBC bank account.

Mr R says HSBC have paid him £300 by way of compensation but he doesn't think this goes far enough to cover the costs he has incurred, missed business opportunities and the trouble and upset this has caused him.

HSBC says the initial problem was due to the fact the payment it received didn't have the correct bank account details, so it was unable to apply it at the time. HSBC says it has since established it did make a mistake in failing to correctly trace the payment once queried by Mr R as it had matched this to another file and had held the funds since October 2022.

HSBC says while it accepts it has provided poor service to Mr R here it agreed to pay a total of £300 to recognise this. HSBC says it doesn't feel it should be responsible for the fact Mr R chose to visit his overseas bank and cover those expenses.

Mr R wasn't happy with HSBC's response and referred the matter to this service.

The investigator looked at all the available information and partially upheld the complaint.

The investigator says since the matter was referred to this service, HSBC have now reviewed its offer of compensation to Mr R and offered a further £500 for the trouble and upset caused. The investigator felt this increased offer of a total of £800 was fair and reasonable and it wasn't the role of this service to fine or penalise businesses when mistakes are made. The investigator says she didn't feel it would be fair to ask HSBC to cover any travelling expenses incurred by Mr R as that was a decision made by him at his own discretion as there was alternative means to contact his overseas bank.

The investigator says she felt HSBC should additionally pay Mr R 8% simple interest on the missing funds from the 6 October 2022 until the monies are returned to him.

Mr R didn't agree with the investigator's view or the increased offer from HSBC and asked

for the matter to be referred 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.

Having done so, I will also be upholding this complaint and I will explain how I have come to my decision.

I can understand it would have been frustrating and upsetting for Mr R to experience the delays he did when transferring funds from his overseas bank account. During the course of this investigation, the funds have since been returned to Mr R's overseas bank account and an increased level of compensation of £500 has been offered by HSBC, on top of the £300 already paid. In addition, HSBC have accepted the investigator's view that it should also pay 8% simple interest on the USD \$2,400 for the period between 6 October 2022 until the funds were returned on 28 August 2023.

So, when looking at this complaint, I will consider if HSBC have fairly compensated Mr R for the trouble and upset he has been caused.

Both parties are fully aware of the background to this complaint, so I don't intend to repeat everything that's already been said. From the information provided to this service, I can see the initial problem with the payment wasn't of HSBC's making, as Mr R had quoted incorrect account details on the payment instructions. Having said that, HSBC by its own admission, made mistakes here when allocating the rejected funds to another case file which no doubt added to the length of time it took to identify the problem and return the funds back to Mr R's overseas bank account, which I can understand would have been stressful and frustrating for him.

So, without trying to minimise the frustration this matter would have undoubtedly caused Mr R here, while HSBC did make errors adding to the time before Mr R's payment was identified, it's not my role to penalise businesses like HSBC when mistakes like this occur, but to ensure it takes steps to correct the mistake, apologises and offers a reasonable level of redress and on balance I am satisfied HSBC have done that here.

While Mr R says he felt he needed to make a trip overseas to investigate the missing funds, that was a decision he took and I can't hold HSBC responsible for the fact he did so, so it would be unfair of me to tell HSBC it should also cover any associated costs/lost business opportunities here.

HSBC have now agreed to pay Mr R a total compensation payment of £800 and 8% simple interest on the payment of USD\$ 2,400 from 6 October 2022 until the payment was returned to Mr R's overseas bank account and I am satisfied that is fair in the individual circumstances of this complaint.

While Mr R will be disappointed with my decision, I am satisfied this is a fair outcome here.

Putting things right

I instruct HSBC UK Bank plc to pay Mr R a further £500 by way of compensation in addition to the £300 it has already paid. Additionally, it should also pay Mr R 8% simple interest on USD \$2,400 for the period between 6 October 2022 until 28 August 2023, when the funds were returned to Mr R's overseas bank account.

My final decision

My final decision is that I uphold this complaint.

I instruct HSBC UK Bank plc to pay Mr R a further £500 by way of compensation in addition to the £300 it has already paid. Additionally, it should also pay Mr R 8% simple interest on USD \$2,400 for the period between 6 October 2022 until 28 August 2023, when the funds were returned to Mr R's overseas bank account.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr R to accept or reject my decision before 26 March 2024.

Barry White
Ombudsman