

The complaint

C, a limited company, complains that HSBC UK Bank Plc has failed to return a sum of money which has not reached the recipient bank account. C wants HSBC to refund the money.

C's complaint is brought by Mr S, a director of C.

What happened

After C's HSBC bank account was closed, HSBC sent the closing balance of just under 2,700 US dollars (USD) to C's new bank. The payment was returned as C's new bank could not accept USD.

The returned payment was for slightly less than the original payment and had a different reference number. As C's HSBC account was closed, HSBC automatically returned the payment but the money has then not reached C's new account.

When C first complained, HSBC thought that the complaint had been brought out of time under the rules which govern the Financial Ombudsman Service. After our investigator explained why he thought C was in time, HSBC consented to our service considering the complaint.

Our investigator didn't think that HSBC made a mistake with the transfer and return of funds but he agreed that HSBC's offer to pay C £150 compensation for its failure in customer service was fair.

Mr S is unhappy with the investigation outcome. He thinks that our investigator has put more effort into disqualifying C's complaint than investigating it. Mr S says HSBC is responsible for the funds regardless of the other banks involved. Mr S wants HSBC to refund the money and says that the recipient bank has returned the funds and no longer has the money.

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 realise that I have summarised this complaint in less detail than the parties and I've done so using my own words. The rules that govern this service allow me to do this, but it does not mean that I have not considered everything that both parties have given to me.

I am sorry to disappoint C but having considered everything I don't uphold its complaint in the sense that I think HSBC has offered and done enough to put things right. This does not mean that I don't appreciate that C is left in the position of trying to track down a payment through no fault of its own – it's just that I don't think this is because of anything that HSBC has done wrong.

The evidence that HSBC has provided shows that it made the initial payment in line with C's instructions. It's unfortunate that C's new bank could not accept the payment as it was made

in USD. But this is not because of a mistake that HSBC made.

When C's new bank returned the payment, it was for slightly less than HSBC had transferred and the reference number was different. But it seems likely that the money HSBC received back was in respect of the transfer it had made on C's behalf.

As C's HSBC bank account was closed, HSBC correctly returned the payment back to C's bank. Again, I don't think HSBC made a mistake when it did this.

After C made HSBC aware that it hadn't received the payment into its new account, HSBC tried to track it down. HSBC contacted its own intermediary bank, and that of the receiving bank on multiple occasions. HSBC is not in control of how quickly C's receiving bank or intermediary return the payment so that HSBC can try and make it available to C. Without some kind of response from C's bank or its intermediary, I don't think it unreasonable for HSBC not to refund the money. I accept that this is not ideal for C, but I'm satisfied that HSBC has taken reasonable steps to try and locate the funds. It has also provided the recipient bank's intermediary with information about the returned payment so that it can try and locate the funds. Again, I think HSBC's response to the problem has been fair.

C says that the receiving bank says it returned the payment and has not received it back again. As I don't have enough evidence to conclude that the money is missing due to HSBC's mistake and as C says the other bank has sent a final response, C might want to bring a complaint about the receiving bank if it hasn't already done so. I can't second guess the outcome of that complaint – hopefully it will end up with C receiving the missing payment. But it seems to me that if it uncovers new evidence which implicates HSBC in some way, C could bring a fresh complaint about HSBC's role in the process.

HSBC agrees that it returned the payment later than it should have and for this failure in customer service, it has offered £150. I realise that this is a small amount in comparison with the missing funds but I'm satisfied that HSBC's offer is fair in the circumstances.

My final decision

HSBC has already made an offer which I consider is fair. So my final decision is that HSBC UK Bank Plc should pay C £150.

Under the rules of the Financial Ombudsman Service, I'm required to ask C to accept or reject my decision before 6 December 2023.

Gemma Bowen
Ombudsman