

The complaint

Mr and Mrs C complain about the exchange rate HSBC UK Bank Plc (“HSBC”) applied to their international money transfer. I have just referred to Mr C in this decision.

What happened

In July 2023, Mr C instructed a transfer of US Dollars 110,000.00 from his bank abroad to his GBP HSBC account in the UK and this was processed accordingly, exchanged from USD to GBP.

After receipt of the funds, Mr C queried with HSBC the exchange rate they used saying he had found more favourable rates on the internet. He said the difference in the average rate he found when compared to that which HSBC used meant that he received over £2,000 less.

Mr C then complained to HSBC who provided him with a full response which did not uphold his concerns. They said they used what they call their HSBC Exchange Rate (or the HSBC Global Transfer Exchange Rate) at the time they receive the payment and no errors had been made.

Mr C wasn't satisfied and then complained again to HSBC who further responded and did not uphold his concerns.

Mr C remained dissatisfied with HSBC and referred his complaint to our service. Our investigator didn't recommend that the complaint be upheld saying that HSBC acted fairly and treated Mr C as they would have treated other customers. Mr C disagreed with this outcome and requested an ombudsman review his complaint.

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'm sorry to learn that Mr C remains disappointed with the rate that HSBC used. I have looked carefully at the information HSBC have supplied to us and the communications between the parties to see if HSBC has treated him fairly.

Firstly, I wanted to address the significant point of the complaint which is the 'loss' of over £2,000 which Mr C calculated using average exchange rates of the day in question versus the rate HSBC used. As HSBC confirmed, and as our investigator reiterated, HSBC use the HSBC Exchange Rate (or the HSBC Global Transfer Exchange Rate) at the time they receive the payment. That this rate is not perceived to be close enough to the average rates found by Mr C does not mean that they used an incorrect rate.

I wanted also to address Mr C's comment that due to the transaction being online, there was no chance to 'bargain' around the rate. Whilst I cannot say with certainty that any enquiries that Mr C could have made either with the sending or receiving banks prior to remitting the funds would have affected the rate, I have not seen any evidence that Mr C made efforts towards this; even considering the significant amount he was transferring. I cannot find HSBC at fault for processing the payment using their Global Transfer Exchange Rate at that time. HSBC gives full details of this in section 10 of their 'Personal Banking Terms and

Conditions and Charges', and so it forms part of the terms and conditions of the contract between Mr C and HSBC.

Mr C goes on to say that, "we are globally premier customers of HSBC UK Bank, we have rights as premier customers to demand for a fair exchange rate", but as I have stated, I can see no evidence that Mr C made efforts to demand an alternative exchange rate other than after the event. Furthermore, I can see no mention within the documents supplied by HSBC that premier customers receive any kind of preferential rate compared to non-premier customers.

In terms of fairness and reasonability, I'm convinced from the information I've seen that HSBC used the appropriate rate which they use for other customers so I can't say that they treated Mr C differently or unfairly.

From the lack of identifiable errors, I think HSBC acted within its terms and conditions and treated Mr C fairly. And so although I recognise that Mr C will be disappointed with this decision, I cannot fairly require HSBC to take any further action towards him.

My final decision

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C and Mr C to accept or reject my decision before 15 April 2024.

Chris Blamires
Ombudsman