

## The complaint

Mr E complains HSBC UK Bank Plc ("HSBC") misadvised him about which account to open to make a high value payment and that he wasn't able to open a currency account (HCA) in euros he needed due to adverse information on his credit report. He feels that the layout of HSBC's website is designed to confuse consumers into applying for a global money account (GMA). As a result of HSBC's advice Mr E says he has lost out financially due to currency fluctuations.

## What happened

Mr E needed to make a payment of around 755,000 euros to complete on a foreign property he was purchasing. Mr E called HSBC to discuss the best way of doing this. Mr E already held a HCA USD and asked whether opening a HCA in euro would be an option and was advised it would be cheaper as he'd be able to transfer from euro to euro. The adviser confirmed Mr E could do this online and subject to checks the account would open straight away. Mr E agreed he'd most likely save more money this way.

Mr E then mistakenly applied and opened a GMA online - assuming it was an HCA - and transferred around £672,000 from his account to this. Mr E called HSBC back to make the transfer and was advised that HSBC couldn't transfer from a GMA by telephone as it is an app based account and HSBC agents aren't able to make payments for the customer via telephone banking or in branch and that there is a £50,000 daily transfer limit. Mr E was told HSBC was able to make high value payments over the phone, but that Mr E would need to move the funds from the GMA to either his HCA USD or back to his current account or to open a HCA in euros.

Following this Mr E attempted again to open a HCA but received an error code and wasn't able progress. Mr E phoned HSBC and was told this was due to adverse information on his credit file. At this point Mr E raised a complaint that he'd been misadvised about the account he'd opened and that he wasn't able to open another currency account in euros despite already having one in USD. Mr E was very concerned as he needed to transfer the money held in his GMA urgently to complete on his property purchase. As he was limited to payments of £50,000 a day from his GMA, he wanted HSBC to just transfer back the funds held in this to his bank account and he would make the transfer from there. Mr E then requested a copy of the phone conversations he'd had with HSBC's advisers.

In a further calls Mr E explains that a credit reference agency (CRA) had recorded incorrect details for him regarding the spelling of his name. Mr E was told if he received confirmation from the CRA that the information is corrected he'd be able to reapply for the HCA. Mr E says the CRA had confirmed it had updated his credit report, but it would take a few weeks to update. Mr E asked HSBC to transfer back the money that he'd transferred online to the GMA using the original GBP to euro rate so he wouldn't incur and losses due to the change in exchange rate. Mr E was informed this couldn't be done as it uses the live rate at the time of the transfer and as the GMA is a mobile based account only Mr E could make the transfer.

Mr E was also unable to convert his HCA in USD to a euro currency account but as an alternative he could transfer funds between his GMA and HCA USD and make the payment

from there. Mr E was told if there had been any error on HSBC's part the losses would be looked at by its complaints team.

So as Mr E had already signed a contract for the property and due to time pressures, he transferred the remaining funds from his GMA to his HCA in USD and HSBC completed the payment to the beneficiary converting the USD to euros. Mr E estimated that by doing this he made a loss of around 16,000 euros.

HSBC didn't uphold Mr E's complaint, it says it was unable to identify any bank errors on its behalf and it was Mr E's decision to apply for the alternative accounts rather than utilise his existing account to send the payment he needed to and as such it was unable to cover the difference in exchange rate.

Mr E was dissatisfied with this and brought his complaint to this service. He says he was misadvised and HSBC's website mislead him into opening the wrong currency account by its promotion of the GMA. Mr E says he is out of pocket because of the fluctuations in currency and charges incurred. Mr E is also unhappy that HSBC haven't provided the recordings of the phone conversations he had with it.

One of our investigators looked into Mr E's concerns but thought that it was clear that Mr E was told by HSBC to open a HCA in euros and didn't think HSBC had told Mr E to make the required transfers which caused him to make a loss due to the exchange rate so didn't think HSBC should be held liable for the loss.

Furthermore, although they agreed there were many products on HSBC's website, they thought the screenshots of the application for opening a HCA clearly showed the type of account being applied for and didn't think HSBC's website was at fault for Mr E incorrectly opening a GMA. Nor did they believe it was HSBC's fault that Mr E's credit report contained incorrect information which resulted in him not meeting HSBC's criteria for opening a HCA.

Mr E disagreed and asked 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.

I hope that Mr E won't take it as a discourtesy that I've condensed his complaint in the way that I have. Ours is an informal dispute resolution service, and I've concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that. And the crux of Mr E's complaint is that HSBC misadvised him about what account to open to make a high value payment which resulted in him losing out due to fluctuations in exchange rates.

It might help if I explain here my role is to look at the problems Mr E has experienced and see if HSBC has done anything wrong or treated him unfairly. If it has, I would seek – if possible - to put Mr E back in the position he would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

And having listened the phone calls between Mr E and HSBC's advisers – and I know this will come as a huge disappointment given the losses Mr E has suffered - I don't think Mr E was misadvised or HSBC made an error. HSBC never advised Mr E to open a *GMA* – rather the adviser confirmed opening a "*HCA or currency account*" was an option and explained how to open the account and that it would be subject to credit checks. So I can't say HSBC made an error in the advice given to him here.

Indeed, the first time a GMA was mentioned was in the next phone call when Mr E had already opened the GMA and transferred funds into it. He says he was told to open a GMA and then when the adviser explained why the transfer couldn't be done from there he says "...so maybe I opened the wrong account."

And nor do I think that HSBC's website was at fault. Although I agree that HSBC has a number of products on offer on its website, I don't think this is unusual or any different from what other banks have and ultimately, it's not for us to say what products it should or shouldn't be promoting and how – these are commercial decisions for HSBC to make. But in saying that I would expect when applying for a particular product HSBC needs to ensure the customer is clear in what product they are applying for.

And having looked at the screenshots for both types of account I can see they are both listed under the "International services" heading as "Global Money Account" and "Currency Account" along with a number of other types of account. I think it's likely Mr E being under pressure to make the payment to complete his property purchase mistakenly picked the GMA as it was the first one listed and assumed it was the one he wanted without looking at the rest.

I've also seen screenshots of applications for both accounts, and I think the applications make it clear what account is being applied for and the application for the GMA states that the transfer limit for the GMA is £50,000. Furthermore, I think the fact that Mr E had no problem identifying the HCA and applying for it when he realised he'd opened the wrong type of account, reinforces that the error made in opening the wrong account was due to him misunderstanding which account to open, rather than being misled by HSBC's adviser or its website.

So I don't think HSBC is responsible for Mr E opening the wrong account. Nor can I say HSBC is responsible for Mr E transferring the funds into that account – this was an action taken independently of HSBC and as such Mr E is solely responsible this transfer.

I also don't think HSBC is at fault or made a mistake in declining Mr E's application for a HCA in euros. Mr E was advised the account would be subject to credit checks – indeed the application form also states this - and Mr E has acknowledged rightly or wrongly there was adverse information on his credit file which meant he didn't meet HSBC's criteria for this type of account. So although it appears Mr E has been the victim of an error regarding the incorrect spelling of his name – and this is very unfortunate – it wasn't HSBC's error and so I can't say HSBC has made a mistake here.

I appreciate Mr E was able to open a GMA account and held a HCA in USD, but just because you're able to successfully apply for one type of account doesn't mean it automatically follows you will meet the criteria for another type of account, as applications are assessed independently at the time they are made.

I also don't think there was anything HSBC could do to help mitigate Mr E's loss due to the time pressure he was under to complete his property purchase. And as HSBC has explained the rate it uses when converting currency is its live rate at the time of transfer and so it wasn't able to amend this to the original GBP to Euro rate. As I'm sure Mr E understands currencies fluctuate and as the need to exchange currency came through no fault of HSBC's, I don't think it would be fair or reasonable to ask it to compensate Mr E at its expense for the losses he incurred as a result of this.

Finally, Mr E was unhappy that HSBC failed to provide him with copies of the recordings of the phone conversations he had with its advisers. But as I understand it HSBC has

confirmed that it is providing Mr E with this and its contact notes regarding his complaint, so on this basis I don't think there is anything more HSBC needs to do.

So it follows, as I don't think HSBC is at fault for Mr E opening the wrong type of account or advising him to transfer his money to this account, I don't think it is responsible for the losses Mr E incurred and I do not uphold his complaint.

### **My final decision**

For the reasons I've explained I've decided not to uphold Mr E's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 19 March 2024.

Caroline Davies  
**Ombudsman**