

The complaint

Mr B complains that HSBC UK Bank Plc misled him with the foreign exchange rate he would receive on an international payment.

What happened

Mr B says that he wanted to transfer €70,000 from an overseas bank to his HSBC account, to be received in pounds. But when he received the money into his account, it was a lot less than he expected. Mr B says he spoke to HSBC prior to the transfer, and after the transfer. He says he was given wrong information by their call handlers, and he had also located a HSBC website showing exchange rates, by using a well known search engine, which didn't appear to show the correct information. Mr B made a complaint to HSBC.

HSBC partially upheld Mr B's complaint, and they offered him £50 compensation for conflicting information he was given by HSBC call handlers after his payment had been credited. HSBC said they converted his payment of €70,000 at their sell rate of 1.17339315, which meant they sold €1.17339315 for every £1.00. HSBC said they always use the sell rate when converting an incoming foreign currency payment into pounds, but their website and payment platforms gives their buy rate, for working out the conversion of pounds into a foreign currency.

HSBC said that while there is a tangible difference between their buy and sell rates from 27 September, they never promised any rate before converting Mr B's payment. Additionally, the terms of his account do say that foreign payments are converted at the live rate, at the time they receive the payment. Mr B brought his complaint to our service, and he forwarded our investigator the link to HSBC's website showing exchange rates.

Our investigator felt the £50 compensation which was offered was fair. He said prior to the transfer, Mr B says he'd called HSBC to clarify the exchange rate, but they have been unable to locate this call. He said Mr B also checked the currency zone on HSBC's website. But this page clearly states that the rates aren't available to customers, so he couldn't say that HSBC made an error here.

Our investigator said Mr B made calls to HSBC on 27 September 2023. On one of these calls the call handler confirmed the exchange rate figures as Mr B saw them. This proved to be incorrect information, so they did make an error, and on 29 September 2023, a call handler explained that it was the sell rate that's always used when converting incoming foreign currency. Mr B asked for an ombudsman to 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've considered what Mr B has said about speaking to HSBC prior to him making the transfer. But HSBC dispute that they spoke to him prior to the transfer, and they have been unable to locate call recordings prior to him making the transfer – only after the transfer was

made. So I'm unable to rely on any call recordings he may have had prior to him making the transfer.

I've considered what Mr B has said about HSBC's webpage and the exchange rates given on this page. But Mr B doesn't appear to have been signposted to this website by HSBC (he used a search engine to find this page). This website makes no mention of customer HSBC Exchange Rates. I've noted the website does not have the co.uk ending that Mr B's account terms are shown under on HSBC's UK website, and it appears to be more of a HSBC global page as opposed to being UK specific. But regardless of this, I'm persuaded that Mr B ought to have known the figures he saw on this page wasn't the exchange rate he would get.

I say this because there is several indications of this on the page. One of these says "*Please note: Rates available to customers will be subject to additional costs*". So I'm not persuaded that the figures on this page were indicative of the HSBC Exchange Rate which Mr B would be receiving. The webpage also says "*This site provides HSBC's mid-market rates with a 1 minute delay. Rates displayed are delayed by 1 minute. The rates shown will refresh every 60 seconds. These rates are indicative and are for informational purposes only. They are not available to customers and do not reflect tradeable prices on past or future transactions*".

So HSBC have said these were for information purposes only, and they are not available to customers. The terms to Mr B's account shows "*If you pay in cash in a foreign currency, we'll convert it into pounds sterling first using the HSBC Exchange Rate at the time we receive the cash*". So as HSBC said on the webpage the mid-market rates were for informational purposes only, and there would be additional costs, then I'm not persuaded it would be proportionate for Mr B to believe this would be the rate (or similar) to what his money would be converted to.

In addition, the webpage also confirms that "*the mid-market rate does not include our costs. The HSBC exchange rate offered to you includes our risk appetite, the costs and charges we incur when conducting the transaction, and our commercial return on the risk we assume under the transaction*". And there is a disclaimer which says "*The information contained on this site is not (and should not be taken as) investment advice, an offer to sell or buy currencies, or other instruments, nor to enter into any transactions.*"

So I'm not persuaded that Mr B should've been under the impression that this information he found on this webpage would be an indication of the exchange rate he would get when HSBC did not signpost him to this website, or tell him this is what he would get, the website says rates available to customers will be subject to additional costs, it is for informational purposes only, they are not available to customers, it didn't say that it was the HSBC Exchange Rate, it said it was not an offer to sell or buy currency, and the mid-market rate doesn't include their costs.

I've listened to the call recordings that Mr B had with HSBC on 27 September 2023. But these calls were made after Mr B had received the funds, and they had been converted by HSBC. So I'm not persuaded that these calls affected the transfer that Mr B had already made. But I would still expect Mr B to be given the correct information on these calls. Mr B references he checked the information on HSBC's website, and he should have received a higher amount than he received.

The call handler does give Mr B incorrect information as he tells Mr B they received less funds than €70,000, but they didn't. The call handler also says that it could be the sending bank who have applied charges, but Mr B tells him that they didn't deduct any charges. The call handler double checks the information he gave Mr B then puts him on hold, when he came back to Mr B he did give him the correct information regarding the money that was sent and the exchange rate he received. But then he gives Mr B wrong information about if

he transferred Euro's to pounds at the moment, and he tells him wrong information about what the sending bank has charged him for the transfer. Mr B speaks to another call handler who also gives him wrong information about the exchange rate.

Mr B has also sent our service a video which has a portion of a phone call he had with HSBC on 29 September 2023. I'm persuaded that this was a genuine call recording. Mr B is again given wrong information on this call. It is only on a call on 29 September 2023 which I've listened to when Mr B speaks to a complaint handler that he is given the correct information and information about the differences between buy and sell rates.

So I've considered what would be a fair outcome for this complaint. I'm unable to conclude that Mr B was given incorrect information by HSBC prior to him making the transfer, and the website that he used was not HSBC's Exchange rate which would be applied to his transfer. I'm satisfied that this website was clear this wasn't the exchange rate he would receive. And I've seen no evidence HSBC made an error with the exchange rate they did apply. But HSBC call handler's let Mr B down with information they gave him after the transfer was made.

As more than one call handler gave Mr B the correct information, this would have compounded the distress Mr B had when it was finally explained to him the correct way they converted his transfer. HSBC offered Mr B £50 for the wrong information. I'm persuaded that this is fair. I say this because if he was given the correct information on these calls, it still wouldn't have affected the money he had already received from the international transfer. So £50 is in line with our awards for the incorrect information he was given, causing him distress and inconvenience after the transfer had been already made. So I'll be asking HSBC to pay Mr B the £50 they offered him if they haven't already paid him this, but I don't require them to do anything further.

My final decision

HSBC UK Bank Plc has already made an offer to pay Mr B £50 to settle the complaint and I think this offer is fair in all the circumstances.

So my decision is that HSBC UK Bank Plc should pay £50 to Mr B (but only if they haven't already done so). But I don't require them to do anything else.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 25 March 2024.

Gregory Sloanes
Ombudsman