

The complaint

Mr V complains about charges applied to a euro payment he made from his HSBC UK Bank Plc account.

What happened

Mr V has an account with HSBC in euros and another euro account with a different bank – W. On 26 April 2024 Mr V instructed a transfer of €218.28 from his HSBC account to his euro account with W. HSBC has confirmed it didn't charge Mr V for making the transfer. But HSBC says that when the payment was instructed, it advised fees may be applied by the other banks involved, including intermediary banks used to complete the transfer. HSBC has explained the intermediary banks used are determined by the receiving bank.

When Mr V's funds were received with W he found €31.50 had been deducted and contacted HSBC. Mr V discussed the transaction and was able to check the transfer online. It was found that HSBC Continental Europe had acted as an intermediary bank and deducted €31.50 from the payment as a fee.

Mr V complained and HSBC issued a final response on 8 May 2024. HSBC confirmed it hadn't charged Mr V for completing the transfer. HSBC also confirmed the intermediary bank charges aren't noted before the payment is sent because it doesn't know which intermediaries may be used or how much they charge. HSBC explained that the intermediary may apply a charge, even if it's part of the HSBC brand.

Mr V referred his complaint to this service and it was passed to an investigator. They weren't persuaded HSBC had made a mistake or treated Mr V unfairly. Mr V asked to appeal and said he thinks HSBC should be required to send out a completion statement that confirms the amount and level of fees applied by intermediary banks once the payment has gone through. As Mr V asked to appeal, his complaint has been passed to me to make a 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'm aware I've summarised the events surrounding this complaint in less detail than the parties involved. No discourtesy is intended by my approach which reflects the informal nature of this service. I want to assure all parties I've read and considered everything on file. I'm satisfied I don't need to comment on every point raised to fairly reach my decision. And if I don't comment on something, it's not because I haven't considered it. It's because I've focused on what I think are the key issues. My approach is in line with the rules we operate under.

I understand Mr V remains concerned that the level and nature of fees applied when sending funds in euros wasn't made clear either before the payment was sent or after it was received. But I think HSBC makes a reasonable point when it says the payment route, where no direct relationship between the sending and receiving bank exists, is decided by the

receiving bank. As a result, there's no way HSBC could know in advance of instructing the payment what intermediaries may be appointed or how much they may charge.

Mr V's told us he thinks HSBC should send a statement of charges once the transfer has completed. I take Mr V's point and understand why he wants that information. But we aren't the regulator, that's the Financial Conduct Authority, and there's no requirement for HSBC to issue a statement of fees on completion. I'd add that by the point the transfer funds were received by Mr V, the intermediary's charge had already been applied. So even if a statement of charges had been provided, it wouldn't have impacted what Mr V had to pay to complete the euro transfer.

HSBC Continental Europe is part of the HSBC brand but a separate business to HSBC UK Bank Plc, the business that Mr V banks with. HSBC has confirmed that even though the intermediary was part of the HSBC brand, it may still apply charges for acting. I'm satisfied HSBC had no involvement in appointing the intermediary banks or the level of charges applied for completing the transfer.

I understand why Mr V is annoyed at being charged €31.50 for sending a payment of €218.28. But as I haven't found any evidence that shows HSBC misled Mr V or made a mistake, I'm unable to uphold his complaint. I'm sorry to disappoint Mr V but as I'm satisfied HSBC dealt with his case fairly I'm not telling it to do anything else.

My final decision

My decision is that I don't uphold Mr V's complaint. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 22 August 2024.

Marco Manente
Ombudsman