

The complaint

Mr B complains that he shouldn't have been charged any interest by HSBC UK Bank plc on the payments that he's made using his credit card.

What happened

Mr B has an HSBC credit card account that includes interest free purchases for an introductory period. He phoned HSBC in May 2024 because he'd been charged interest on the account when he said he shouldn't have been. It investigated his concerns and wrote to him the next day. It said that it had reviewed two transactions which were money transfers for which there was no interest free period. It also said that they incurred cash advance charges because they are classed as cash transactions.

Mr B wasn't satisfied with its response so complained to this service. His complaint was looked at by one of this service's investigators who, having considered everything, didn't think that it should be upheld. She said that HSBC had explained why Mr B was charged interest and as that was in line with the terms and conditions of the account, she couldn't reasonably ask it to issue any refunds or do anything further.

Mr B didn't agree with the investigator's recommendation and asked for his complaint to be considered by an ombudsman. He says that cash is defined as 'taking out cash' and a responsible person would interpret that as from a cash machine. He also says that it's an invalid argument to say that it was a cash transaction as it was a purchase.

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.

The terms and conditions of Mr B's HSBC credit card account say: *"The following annual interest rates will apply for the periods set out below 0.0% on cash or cash related payments for 0 months after account opening ... For everything else ... our variable standard rates will apply ... These are the current standard rates ... 29.9% on cash or cash related payments"*.

The terms and conditions define cash related payments as: *"Buying travellers cheques, foreign currency, purchasing money orders and other similar payments"*. Similar information is included on each account statement and says: *"Cash transactions includes cash withdrawals and cash related payments such as buying travellers cheques, foreign currency, purchasing money orders and other similar payments"*.

The payments that Mr B has complained about are for money transfers. I consider that such payments would properly be considered to be cash-related payments in accordance with the terms and conditions of Mr B's account. I also that it was fair and reasonable for HSBC to charge Mr B interest and a cash advance fee on those payments.

I'm not persuaded that the money transfers were *"purchases"* and therefore subject to the

interest free offer. I consider that HSBC has acted correctly and in accordance with the terms and conditions of Mr B's account in charging interest on those payments. I find that it wouldn't be fair or reasonable in these circumstances for me to require HSBC to refund to Mr B's account any of the interest or other charges it has applied in relation to those payments.

My final decision

My decision is that I don't uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 8 October 2024.

Jarrold Hastings
Ombudsman