

The complaint

Mr J's complaint is about a failed transfer from his Euro account to another Euro account with another bank. He says the money returned was EUR 2,000 less than the amount he sent. He wants his loss of funds reimbursed.

What happened

Mr J made a transfer from his HSBC Euro account to a Euro account at another bank in January 2024. He says the transfer failed and when he contacted the parties involved, he was given contradictory responses.

HSBC issued a final response to Mr J's complaint dated 29 January 2024. It said that Mr J put in an instruction from his digital banking and completed the payment in GBP. So, the EUR amount was converted to GBP. It said that all international payments automatically default to the local currency of the receiving country and if a different currency is required this needs to be changed before the instruction is submitted. It said that although the other bank had suggested HSBC recalled the payment this wasn't the case. It said the payment was rejected by the intermediary bank and returned due to the currency not being correct. This then resulted in a further currency exchange.

HSBC didn't accept that it had done anything wrong and therefore it didn't agree to reimburse Mr J any losses incurred.

Mr J wasn't satisfied with HSBC's response and referred his complaint to this service. He said that HSBC was placing the blame on him for not selecting the currency but that this option wasn't available to him at the time. He said he had transferred money from the same account previously without issue.

Our investigator noted that Mr J had said there wasn't an option to select the currency but that he still proceeded with the transfer rather than contacting HSBC. She said the details provided about the payment recorded '*amount is in a non-processable currency outside of existing arrangement.*' So, she didn't think that the payment being unsuccessful was due to any error by HSBC. She noted that Mr J had incurred a loss through the process but said that HSBC's terms and conditions set out that if a payment couldn't be made it will be reversed using the exchange rate at the time and so the amount paid back might be less than the amount originally taken from the account. Therefore, our investigator didn't uphold this complaint.

Mr J asked for his complaint to be considered by an ombudsman.

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 can understand why Mr J has raised his concerns about the transfer he made in January 2024, and I appreciate that he wants the loss he incurred through this refunded. But for me

to uphold this complaint and require HSBC to refund Mr J his loss, I would need to be satisfied that it had done something wrong or treated Mr J unfairly.

Mr J set up the instruction through his digital banking and it was his responsibility to ensure he included the correct details. HSBC has said that funds were successfully sent on 8 January 2024, and it was then notified on 12 January that the funds were being returned. While the GBP amount that was sent was returned in full, there were two currency exchanges involved. The first when the initial EUR amount was transferred to GBP and then when the returned GBP amount was exchanged to EUR. Due to the exchange rate differences Mr J incurred a loss.

HSBC has said that all international payments automatically default to the local currency of the receiving country and if a different currency is required this needs to be changed before the instruction is submitted. Mr J has said that he has made transfers from his EUR account before without issue and that when he set up this instruction there wasn't an option to select the currency. While I note Mr J's comments, HSBC has explained that once the instruction is entered a review screen is shown for all details to be checked and this includes the exchange rate. Given this, I think that Mr J had the opportunity at this point to identify that his transaction was being exchanged into GBP and had this been an issue then he could have contacted HSBC about this before confirming the transaction.

The payment details provided by HSBC show the payment, in GBP successfully reaching the intermediary bank. HSBC has provided a copy of the SWIFT message received that stated the currency was outside of the existing agreement and the payment was returned. As I cannot say that HSBC did anything wrong by sending the payment in the currency it did I cannot hold it liable for the funds being returned. As the loss Mr J incurred arose from the currency exchanges when the money was sent and returned, and I do not find I can say that HSBC did anything wrong in this process, or treated Mr J unfairly, I do not find I can require it to reimburse him his losses.

I understand this will be disappointing for Mr J but in this case, I do not find I can uphold this complaint.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 30 October 2024.

Jane Archer
Ombudsman