

The complaint

Mr B complains HSBC UK Bank Plc failed to carry out an overseas transfer then failed to refund it.

What happened

Mr B wanted to send £10,777 to a crypto currency site overseas. The money wasn't credited to the receiver's account but wasn't returned to Mr B either.

Mr B called HSBC to try and recall the payment, but without any success. During some of the calls to HSBC Mr B was told he may not receive the money back as recalling money from overseas banks isn't always successful.

Mr B complained to HSBC, and it located the payment, it had been returned to HSBC the day after Mr B sent it, but HSBC failed to recredit it to Mr B's account.

HSBC said it had tried to manage Mr B's expectations in calls, and it isn't always possible to guarantee safe return of a payment. HSBC said it was sorry Mr B heard nothing from it, but it would credit the money back to him.

HSBC paid Mr B £100 to compensate for the delay.

Unhappy with this response, Mr B brought his complaint to this service. Mr B said he's missed out on an investment in a specific crypto currency which had increased in value and £100 wasn't enough to compensate for this or the worry he's been caused.

HSBC sent its submissions to our investigator and said it was now offering a further £100 and it would pay 8% simple interest on £10,671.02, the amount returned to HSBC. This amount was less than Mr B sent, but HSBC said it wasn't its fault less had been returned.

The investigator looked into things and felt HSBC should pay Mr B a total of £300 compensation. The investigator didn't think Mr B had proved he was going to invest in the specific crypto currency he mentioned, so didn't think HSBC should pay this loss.

Mr B agreed with the investment loss, but felt a compensation payment of £3,000 was fairer. Mr B said other complaints decided by this service awarded higher amounts of compensation, and the worry Mr B experienced was severe.

Mr B said he was worried he'd not receive the money back or had been scammed. Mr B said he'd struggled to eat and sleep. Mr B asked for an ombudsman to decide things.

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 agree with the investigator about the investment loss, I don't think it would be fair to hold

HSBC liable for any potential loss here. Whilst I have no doubt Mr B intended to invest in crypto currency, I can't be sure it was the specific currency he mentioned.

Mr B didn't reference this currency in the payment and doesn't have any trade confirmation prior to the payment being made. The crypto currency site offers investments in numerous different currencies.

So, whilst I believe Mr B's intention was to invest in crypto currency, I can't be sure this investment was to be solely in an asset increasing in value.

And I agree with the investigator about the payment itself, HSBC made an error here. Mr B sent the payment on 9 January 2024, and it was returned the next day, 10 January 2024. At this point HSBC should have reccredited it to Mr B's account.

Instead, it took several calls to HSBC, branch visits and a complaint to get the money back. And HSBC didn't pay the money back until 22 February 2024. This is too long, and missing this money will have been very distressing for Mr B.

In the circumstances I don't think it was unreasonable for HSBC to try and manage Mr B's expectations – it is, at times, difficult to recall payments sent overseas. With the information the call handlers had, it's fair they tried to warn Mr B about the risk.

But this could have been avoided if HSBC had paid the money to Mr B when it received it back. And I think it was unfair for HSBC to pass the exchange rate loss onto Mr B, he received £105.98 less than he sent.

HSBC said if the payment had been sent to an account in Mr B's name, it would have refunded the loss. But this payment was, effectively, being sent to Mr B, albeit at a crypto currency exchange site.

I asked HSBC if it would consider refunding the £105.98, and associated interest, and it agreed. HSBC had previously agreed to pay 8% simple interest on £10,671.02, the amount it failed to refund to Mr B.

Mr B was deprived of the bulk of his money from 10 January 2024 to 22 February 2024, so paying 8% for this deprivation is fair.

Mr B's been without the £105.98 for longer, so I think paying 8% simple interest on this amount, from 10 January 2024 to the date of settlement of this complaint is fair.

Overall, Mr B's received a full refund for the amount he sent and 8% simple interest for the time he's been without the varying amounts of money. I think this is a fair outcome for this part of Mr B's complaint.

Mr B feels a total compensation payment of £300 is not enough to compensate for the worry and distress he was caused. Mr B was without the money for a month and a half, and I accept this will have been a really worrying time for Mr B.

Mr B's specifically referenced a published decision where a consumer was scammed out of a significant amount of money, and was paid more compensation than the £300 the investigator recommended.

But every complaint is decided on its individual merits and circumstances, so I can't say the situation was exactly the same. And, specifically for the other complaint, the business

refused to refund at the point of its final response.

In Mr B's specific case, HSBC admitted it had the money and would be refunding him when it sent the final response, on 20 February 2024. At the point Mr B brought his complaint to this service, he'd already had his money back.

Overall, I feel a payment of £300 to compensate for the worry and distress is a fair amount for HSBC to pay.

Although this was a lot of money, and Mr B was worried he'd lost it, it was a comparatively short amount of time between Mr B realising the payment hadn't credited and being refunded the money.

Compensation isn't an exact science, but our website offers some pointers as to the things I need to consider. This was a larger single mistake which took weeks to resolve, and the £300 award fits with the bandings we've published online.

I know Mr B will be disappointed with this, but I'd like to reassure him I've carefully considered what he's said about the impact this mistake caused. But I still feel the £300 total award is a fair amount for HSBC to pay.

My final decision

My final decision is I uphold this complaint and HSBC UK Bank Plc should:

- pay Mr B £200 compensation
- pay 8% simple interest on £10,671.02 from 10 January 2024 to 22 February 2024
- pay Mr B £105.98 financial loss
- pay 8% simple interest on £105.98 from 10 January 2024 to the date of settlement

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 6 February 2025.

Chris Russ
Ombudsman