

The complaint

Mr P complains that HSBC UK Bank Plc incorrectly handled his currency transfer resulting in a financial loss. He also complains that HSBC didn't then provide the service it should have when he raised this issue.

Mr P wants HSBC to compensate him for his loss and to ensure better communication practices are put in place.

What happened

Mr P says that on 30 July 2024, he transferred money from his HSBC USD account to another USD account he held with another financial institution. He says he followed the same process he had done the previous day when no issues arose. However, on 30 July 2024 the money was transferred by HSBC in GBP rather than USD which resulted in a loss of around £1,200 due to the exchange rate.

Mr P raised a complaint with HSBC and says that he received a voicemail from a HSBC agent. He called back but couldn't reach the agent and asked if they could call on a different number, but he was told his number couldn't be changed. Mr P says he then received another voicemail and before he had a chance to return the call he received a final response.

HSBC provided a final response dated 8 August 2024. It said that when instructing an international payment its system would default the receiving currency to a local currency if it is available and in Mr P's case his payment was defaulted to GBP. It said that the exchange rate is displayed, and that Mr P would have needed to agree to this to move forward.

Mr P wasn't satisfied with HSBC's response. He thought that its handling of his situation had been inadequate and unprofessional. He said that he should be compensated for his loss and that HSBC should ensure better communication practices such as allowing alternative contact methods when necessary.

Our investigator said that when making an online banking payment the currency is automatically pre-populated to that of the country where the beneficiary account is held. In this case the account was held in the UK and so Mr P's payment would default to GBP. She said that Mr P needed to manually change the currency to USD had he wished to. While she noted Mr P's comment about completing the same process the day before she noted this had happened through telephone banking and so the transfer was processed by a member of HSBC staff. She noted that previous transfers Mr P had made had been completed in branch or by phone. Regarding the complaint handling our investigator explained that complaint handling isn't a regulated activity and so it isn't something we can investigate. For these reasons, she didn't uphold this complaint.

Mr P didn't accept our investigator's view. He said that on the transfer page there is one drop down list where a currency is selected and, in this case, it was USD. He said he had transferred funds online before without issue and he believed the problem with his transfer on 30 July 2024 was due to a system issue with HSBC.

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 understand that the issue with his transfer has been frustrating for Mr P and that he feels he should be compensated for the exchange rate loss. But for me to uphold this complaint I would need to be satisfied that HSBC had done something wrong or treated Mr P unfairly. When making a decision I take all relevant rules, regulations and industry guidance into account, but my decision is based on what I find to be fair and reasonable given the unique circumstances of the complaint. Where the evidence is incomplete, inconclusive or contradictory, I make my decision based on the balance of probabilities. That is, what I consider most likely to have happened given the evidence provided and the wider circumstances of the complaint.

HSBC has said that it carried out the transfer in line with Mr P's instructions. It said that when a customer makes an online payment the currency is automatically pre-populated to that of the country where the account is held (identified by the IBAN and details provided by the customer). Mr P has provided screen shots of the transfer process, and this shows that where the amount of the transfer is entered there is a currency drop down box.

Having looked at the transaction documentation I can see that the account Mr P was sending funds to had a UK country code and so, based on the information provided, I would expect the transfer to pre-populate with the currency GBP and so Mr P would have needed to change this to USD. HSBC has included a copy of the instructions received and these include the GBP currency alongside the other instructions input by Mr P. An exchange rate was provided, and HSBC has said that this information would have been provided to Mr P before he confirmed the transfer.

Mr P said that when USD was selected for the transfer there was no exchange rate given but that in his disputed transaction the system made the transfer in GBP rather than USD. He said he had made online transfers before without issue. I have taken Mr P's testimony into account, and I note his comment that he believes there was a system failure that resulted in the issue occurring. But HSBC has confirmed that there were no issues with its international payment systems or digital channels at the time that would have caused the issue Mr P complained about. Given this, and based on the evidence provided in the transaction documentation, I find it more likely than not that the issue arose because USD wasn't selected at the point of the transaction being set up.

Mr P has also complained about how his complaint was handled. As our investigator has explained, we cannot investigate complaints solely about complaint handling, but I can consider the service Mr P received when he raised his concerns. HSBC has explained that it will try to call a customer as part of its complaint review, and this is what happened in Mr P's case. Mr P has said that he missed a call and when he called back, he asked that he be contacted on a different number as he was experiencing network issues. However, this wasn't acted on and he missed a further call and then received the final response before he had the chance to call back. While I understand the points Mr P has made, I do not find that HSBC was wrong to issue the final response when it did. It considered it had the information it needed to make its decision on the complaint, and it issued this to Mr P in a timely way. Mr P was provided with referral rights to this service, which he has used.

In conclusion, on balance, I do not find I have enough evidence to say that HSBC made a mistake in the processing of Mr P's transfer and so 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 P to accept or reject my decision before 13 December 2024.

Jane Archer
Ombudsman