

The complaint

Mr B complains HSBC UK Bank plc (HSBC) were responsible for the loss of two US \$100 notes when he visited one of its branches to make a deposit.

What happened

Mr B says he visited a branch of HSBC in late February 2024 to make a sizeable US \$ cash deposit and was told by a cashier that two of the US\$ 100 notes weren't acceptable as they were marked. Mr B says he then made a second attempt to deposit the two US\$ 100 notes within a larger deposit, but the two notes were again rejected, although Mr B says these would have been readily accepted by other foreign exchange businesses.

Mr B says he then put the two US\$ 100 notes returned to him by the cashier, in an envelope on the cashier counter and placed the receipt and his passport in his bag. Mr B says when he realised he didn't have the two US\$ notes in his possession, he contacted HSBC and asked for it to provide a copy of the CCTV footage so he could see what happened, but HSBC refused unless he contacted the police.

Mr B says HSBC advised him after looking at the CCTV footage, that he placed the envelope with the US\$ notes in his bag, which he disputes and says its description of the bag and envelope didn't match. Mr B says there was no reason why HSBC should have rejected the two US \$ notes and additionally when he attempted to make a large cash deposit it refused to take this without any explanation why.

Mr B wants HSBC to refund the US\$ 200 and compensate him for the trouble and upset caused.

HSBC says it has limits to the amount of cash deposits it will take, to meet its regulatory requirements and wouldn't advise its customers of those limits, in line with its terms and conditions. HSBC says when accepting foreign currency notes, its colleagues are instructed not to accept any notes that are marked or damaged and after investigation, its records showed the notes were returned to Mr B due to writing on them.

HSBC says it told Mr B the CCTV footage of the transaction could only be made available to the police if he reported it to them and this footage would be deleted after a period of time, unless it received a formal request to hold it. HSBC says on reviewing the footage it showed Mr B was handed back the two US\$ notes and he placed them in his bag while at the counter and while the description of the colour of the bag mentioned to Mr B may have differed, this was in all likelihood due to the display used on play back.

Mr B wasn't happy with HSBC's response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint.

The investigator felt HSBC acted reasonably when it refused to accept the two US\$ 100 notes, and this was in line with its processes for damaged or marked notes. The investigator also felt HSBC's terms and conditions and procedures allowed it to set limits for cash

deposits and it wasn't obliged to inform Mr B what those limits were.

The investigator wasn't able to see the CCTV footage so couldn't comment on what actually happened and as HSBC hadn't received a formal request from the police, it was reasonable it couldn't keep the footage indefinitely, in line with GDPR guidelines. The investigator pointed out Mr B had confirmed to this service he had received the notes back and placed them in an envelope, so it was fair to say the notes were passed back to him.

The investigator looked at the testimony of both parties and felt on balance, as Mr B had accepted the notes had been returned to him, he couldn't hold HSBC at fault for the reason why the US\$ notes went missing, despite any differences in the description of the colour of the bag Mr B used that day.

Mr B didn't agree with the investigator's view and asked for the matter to be referred to an ombudsman for a final 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.

Having done so, I won't be upholding this complaint and I will explain how I have come to my decision.

I can understand it would have been upsetting for Mr B to have visited a branch of HSBC and to later discover two \$100 notes that hadn't been accepted by its cashier, had now gone missing. When looking at this complaint I will consider if HSBC were responsible for the notes being lost.

While Mr B has also raised the issue of HSBC's policy of limiting the amount of cash deposits it will take, I'm satisfied it has acted fairly here and in line with its terms and conditions and to meet its regulatory obligations and it isn't obliged to let Mr B know what those limits are.

In addition, while I understand Mr B feels HSBC had no reason not to accept the two \$100 notes simply because of a faint vertical line, HSBC's process and procedures make clear to its staff not to accept any such notes that may not be fit for reuse, and it's not for me to tell HSBC it must. While other foreign exchange businesses may well accept such marked notes, that's not to say HSBC must do the same.

I understand Mr B says when the notes were returned to him he placed them in an envelope on the counter and this differs from HSBC's version of events, when it says CCTV footage shows Mr B placed the envelope containing the notes in his bag. That CCTV footage isn't available and as Mr B never requested this by contacting the police as advised, I can't say with any certainty what actually happened on that day.

What I can say is HSBC acted reasonably when it told Mr B it could only release the CCTV footage to the police, as that level of authority was required for it to act in line with its own GDPR regulations - but I can't see Mr B ever requested it. So, it wouldn't be reasonable to expect HSBC to hold this footage indefinitely.

Although HSBC's version of events differ to that of Mr B here and the colour of the bag described to him differed due to potential play back technicalities, the fact remains as accepted by Mr B, the notes were handed back to him when he visited the branch. So, whether the US\$ notes were left on the counter or placed in his bag – either way I can't say

that HSBC can be held responsible for that loss, as unfortunate and upsetting as that would have been for Mr B.

While Mr B will be disappointed with my decision, I won't be asking anymore of HSBC here.

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 B to accept or reject my decision before 24 December 2024.

Barry White
Ombudsman