

The complaint

X complains that HSBC UK Bank Plc delayed a foreign currency payment from her euro account into her sterling account. Due to the delay X is unhappy that she is now being pursued for the difference in exchange rates relating to one of the cancelled payments. She was also unhappy with the service provided when she tried to resolve the issue.

What happened

On 9 May 2024, X attempted to transfer €42,500 from her euro account to her sterling account. After making the payment, she noticed it had not appeared in her sterling account immediately. She attempted the payment again but was presented with a warning message preventing her from proceeding with the same amount. X then attempted a transfer of €42,400, but this also failed to immediately show in her sterling account.

She contacted HSBC for assistance and was advised to try again. Following this advice, she made a transfer of €42,300, which again failed to appear immediately. At this point, X decided not to make further attempts. The next day, the second payment of €42,400 was successfully processed into her sterling account. X stated that no other payments were processed but she believed the initial €42,500 payment should have gone through rather than the second payment attempt. However, since the €42,400 transfer met her needs, she was able to proceed with subsequent transactions from her sterling account.

A few days later, X received an email from HSBC requesting payment for the failed initial payment. Believing it to be a scam, she contacted HSBC, who confirmed its authenticity. She later received another email regarding a payment reversal for the third transfer.

X raised a complaint with HSBC, asserting she should not be liable for the failed payments. HSBC acknowledged that X should not have been asked to make the third payment and agreed to waive charges related to currency rate fluctuations for that transfer. However, it maintained that it was not responsible for the returned payment linked to the first transfer, as the subsequent payments were initiated by X. Dissatisfied with this, X escalated her complaint to our service.

Our investigator reviewed the case and did not uphold the complaint. She found that HSBC acted reasonably by not pursuing X for currency rate differences on the third payment. However, she determined that HSBC was within its rights to hold X responsible for losses on the first payment due to insufficient funds, in line with its terms and conditions regarding cancelled or returned payments in currency accounts.

X disagreed, arguing that HSBC failed to notify her when transactions were unsuccessful and that, given the funds remained in her account, it was reasonable for her to retry the payments. She also felt that HSBC acted unreasonably by allowing multiple payment attempts when her account only had €42,500.

As no resolution could be reached, the complaint has been referred to me 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.

Firstly, I'm aware that I've only summarised X's complaint points. And I'm not going to respond to every single point made by her. No discourtesy is intended by this. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome. But I can assure X I have read everything she has said.

I must make it clear to X that it is not within this service's remit to tell a business how they should operate their payments procedures and what mechanism they should use. It would be the role of the regulator – the Financial Conduct Authority, who have the power to instruct HSBC to make changes to their policies and procedures, if necessary.

X has said that she suspects HSBC are not complying with their obligations. I've taken the relevant rules, regulation and legislation into account when deciding this complaint – but I've ultimately decided this complaint based on what's fair and reasonable.

X has stated that she was not provided with clear information regarding the various payments she made on 9 May 2024. I have reviewed the relevant information on HSBC UK's website to see what guidance is provided. X has argued that HSBC did not make it clear that the transactions were unsuccessful, and so it was reasonable for her to attempt the payment again. To address this, I have examined the terms and conditions of the account she opened, as X is likely to have confirmed she had read and agreed to these terms prior to opening her account.

I am satisfied that the information provided to X in the terms and conditions, as well as on HSBC's website, is clear. In the Frequently Asked Questions section of the website for this account, it states:

"How much can I send and how long will it take?

...

Transfers between your own HSBC accounts:

...

Note: transfers and international payments may not leave your account immediately. There's no need to repeat the payments as you risk multiple debits from your account.

*Payments to accounts in the EEA in euro and sterling will normally be credited the next working day *. All other payments will normally take up to 4 working days* (but may take longer depending on the country the money is being sent to).*

** subject to currency cut-off time and further checks, as from time to time we may need to conduct additional security checks to validate the payment. ..."*

X told us that when she attempted to make the second payment, she received a warning message, and the system would not allow her to make the payment again for the same amount. However, X, of her own accord, decided to bypass this warning by altering the payment amount. I am satisfied that it is likely that the reason HSBC includes this safeguard is to warn customers against making duplicate payments.

The terms and conditions also set out that *"Payments made using Global Transfers are*

usually sent straight away. But they won't be where we are unable to convert your transfer into the currency of the account you're paying before we send it. If that happens, then the transfer may take up to one working day." And "If the payment is returned to us or we can't make it for any reason, we'll reverse it using the exchange rate at that time. The exchange rate might have changed. So the amount we pay back may be more or less than we originally took from your account."

Considering this information, I am satisfied that HSBC provided sufficient guidance for X to avoid attempting the same payment again. Based on the information available, I would have expected X to contact HSBC after the first payment if she was concerned about the processing time. This would likely have prevented her from incurring charges due to fluctuations in currency exchange rates.

I note that when X called HSBC, she was incorrectly advised to attempt the payment again. HSBC has since acknowledged this error and is not pursuing the difference in the currency exchange rate associated with that particular payment attempt.

Regarding why the first payment was not credited the following day, HSBC explained that payments made after the 5pm cut-off time are queued for the next working day. It is likely that the payments were processed automatically, so while the second payment was processed first, this would not have made a significant difference. If the first payment had been processed first, the second payment would likely have been returned due to insufficient funds, and HSBC would still have needed to contact X to recover the difference in the returned currency exchange rate.

I understand that X found the entire experience frustrating and inconvenient, particularly as events did not unfold as she had expected. However, I have not found any evidence indicating that HSBC provided poor service when addressing her concerns or in its attempts to recover the charges related to the first payment.

I appreciate that X may find my decision disappointing, but for the reasons outlined above, I do not believe HSBC acted unreasonably in this case. Consequently, I will not be upholding this complaint.

My final decision

For the reasons mentioned above, I don't uphold X's complaint about HSBC UK Bank Plc

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 20 January 2025.

Jag Dhuphar
Ombudsman