

The complaint

Ms G complains on behalf of her firm “S” about the service received from HSBC UK Bank Plc (“HSBC”) when processing transactions. In particular, she is unhappy with the time it took for HSBC to process a large transaction which resulted in her personally incurring charges/costs when the transaction wasn’t processed in time to complete on a property sale.

What happened

Ms G and her firm S were acting in the sale of two properties one of which was part of a chain. Where there is a chain for the sale to complete all the properties in the chain need to happen at the same time.

Ms S visited a branch of HSBC and requested an electronic funds transfer of £290,000 and £462,500 (the property subject to a chain) at around 13:00pm on Friday 24 May 2024 – leading to a bank holiday weekend.

HSBC’s internal systems show that both transfers were requested and completed before 15:30pm by its payments team. The vendors solicitors from both sales received the sales proceeds at 16:30pm.

Unfortunately, the proceeds for the property sale that was part of a chain didn’t reach the solicitor at the top of the chain until 16:30pm and so the sale didn’t complete as there wasn’t enough time to transfer the proceeds of this sale before close of business at 17:30pm. This meant Ms G’s client was unable to move into the property and had to find alternative accommodation for the weekend and Ms G had to pay the costs of this, storage facilities and suffered penalties for the late completion from solicitors above her in the chain.

Ms G complained about this to HSBC. HSBC agreed that there had been a 15-minute delay in the processing of the payments and so they weren’t processed within 2 hours as expected. HSBC apologised and offered to credit S’s business account with £200.

Ms G was dissatisfied with this and rejected the offer and brought her complaint to this service. Ms G wants HSBC to increase her daily limit on transactions to above £100,000 and reimburse her for the charges and costs incurred as a result of the delays in processing the transaction.

One of our investigators looked into Ms G's concerns and thought given the nature and value of the transactions that the time HSBC took to process them was reasonable and in-line with its internal processes.

Furthermore, given the number of parties involved in the transaction they didn't think it was fair to say the costs incurred were as a result of HSBC's actions so they didn't agree HSBC should reimburse Ms G for this but thought the offer of £200 was fair.

Ms G remains dissatisfied she says she has been trying to increase her daily limit since 2014 so she can process large transactions above £100,000 but HSBC won't allow it and attending a local HSBC branch to do this isn't practical.

Ms G says the nature of the transactions were urgent and HSBC were aware of this but were slow to release the monies needed resulting in a late completion and her incurring the costs for this. Ms G wants to be compensated for these and has asked for an ombudsman's 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.

I hope that Ms G won't take it as a discourtesy that I've condensed this complaint in the way that I have. I've concentrated on what I consider to be the crux of the complaint. Our rules allow me to do that. And the crux of Ms G's complaint is about the time it takes for HSBC to process large transactions and that it won't increase the daily limit to avoid the necessity to attend a branch.

My role is to look at the problems Ms G on behalf of S has experienced and see if the HSBC has done anything wrong or treated her unfairly. If it has, I would seek – if possible - to put S back in the position it would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

It might help if I explain I don't have the power to tell HSBC how it needs to run its business and I can't make it change its systems or processes – such as how long it takes to process transactions and the procedures it has in place to do this. These are commercial decisions and not something for me to get involved with. Nor can I say what procedures HSBC need to have in place to meet its regulatory obligations.

In saying that when a bank receives a payment instruction it does have a duty to execute that payment with due care and skill. Ms G doesn't believe a two-hour processing time in transactions of this nature to be acceptable.

But when it comes to large transactions such as the ones the subject of this complaint (£290,000 and £462,500) HSBC's internal policies dictate that payments of this nature should be processed by the end of the day – rather than the 2 hours initially quoted to her – but this is not guaranteed.

In this case the payments were requested by electronic funds transfer in branch around 13:00pm and completed before 15:30pm on the same day – in-line with its service level agreement. HSBC have explained that due to the size of the transfers approval and sign off by a manager was required.

I don't think this is unreasonable, as I'd expect there to be checks that would need to be made in order to adhere to regulatory requirements. As I'm sure Ms G appreciates this is to

protect both HSBC and its customers. And as the payments were processed within the timescales set by HSBC's service level agreement - and I haven't seen any evidence that HSBC had led Ms G to believe that it would process her payments on this occasion any quicker than this - I can't say HSBC made a mistake here.

I accept that in this case there was some urgency in the matter. But I note despite already holding the funds in the client account Ms G left it until later in the day to attend branch and action the payments. Things don't always go smoothly and I can see Ms G did try to mitigate the situation – as I'd expect - by suggesting an undertaking which was unfortunately rejected. But this wasn't down to a mistake on HSBC's part. Indeed, the circumstances of the different parties involved were completely out of HSBC's control and so it wouldn't be fair to penalise it because the vendors were unwilling to be more accommodating.

And even if HSBC had processed the latter payment faster than it did, I can't say this would've made a difference as the payment was only requested around 13:00pm, there were a number of parties involved in the transaction and S's client's property purchase wasn't the last in the chain. So it can't be said the delay in receiving the funds was the sole reason completion was delayed.

HSBC has recognised the inconvenience suffered and offered £200 compensation for this. Ms G declined to accept this and wants HSBC to increase the daily limit so this doesn't happen in the future. But as I explained above its not for this service to determine a banks policy around this or ask it to make changes. Ms G is still able to make the transactions she wants from S's account by calling HSBC or visiting a branch – albeit this isn't in the way she wants – so I can't say HSBC has treated S unfairly.

So it follows that I don't think HSBC has made an error or treated S unfairly and so I don't require HSBC to do anything more. HSBC has confirmed its offer of £200 is still available and so if Ms G would now like to accept this she should let HSBC know.

My final decision

For the reasons I've explained I've decided not to uphold Ms G's complaint brought on behalf of S against HSBC UK Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 3 April 2025.

Caroline Davies
Ombudsman