

## **The complaint**

Mrs L complains that she made exchange rate and bank charge losses when she tried to transfer US dollars (USD) from her account with HSBC UK plc into her husband's USD account.

## **What happened**

In September 2024 Mrs L applied to transfer money, in USD, from her USD account to her husband's USD account. The transfer completed, then Mrs L tried to send a further amount, using the "saved details" on the account. The transfer didn't go through, so she attempted to repeat the process. This was similarly unsuccessful. Mrs L then found she had incurred over £1,000 in exchange rate losses.

HSBC explained that when Mrs L applied for the second and third transfers she failed to change the default currency of pounds sterling (GBP) to USD, so the system automatically converted the USD to GBP. The subsequent screens showed the fees and exchange rates that applied. As her husband's account didn't accept non-USD payments, both payments were rejected.

Mrs L insisted she'd made no mistakes and that HSBC's system was at fault.

After referral to the Financial Ombudsman, HSBC accepted that Mrs L wouldn't have attempted to make the third transfer had she known why the second one was rejected. So it offered to refund the exchange rate losses incurred and pay £100 compensation.

Our Investigator thought that HSBC's offer was reasonable,.

Mrs K didn't accept that and the matter has been referred to me for an Ombudsman's consideration.

## **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.

It appears that Mrs L made the first payment correctly, and selected USD as the currency to make the transfer. She's told us that she was careful to select the same details for the next transfer. I understand that, for a first payment to a new payee, the details all have to be completed including currency. For a subsequent transfer to the same payee, the screen enables that payee to be selected. But the system defaults to the currency of the country where the customer has the account. And it does look like that was what happened here.

When the customer selects the currency and the payee, the next screen shows the currency to be sent, and the account. The customer is asked to accept the rate and to confirm they will pay the fees. The particular issue in Mrs L's case is that she was sending monies from a USD account, so the system converted the payment to GBP. Whilst it is understandable that Mrs L thought the currency would stay the same, I think she was given the opportunity to

change the currency. Further I think it would be reasonable to expect that she would query why she was being asked to agree rates and bank charges, the system has links to a chat option.

I understand that Mrs L thinks HSBC should've put a warning that she was converting from USD to GBP. That might have been helpful in this case, but the system is designed for the customer to select which currency they want to send. And as it invites the customer to agree both the exchange rate and the fees, it's not a requirement and I don't think the lack of such a warning is an error or failure on HSBC's part. Nor is it in my view a breach of consumer rights not to have such a warning, as Mrs L has asserted.

Unfortunately the account to which Mrs L was sending the money is a USD account, it won't accept payments in GBP so her attempted transfer on the second and third occasion was rejected both times. But as this was the result of an input error by Mrs L, I can't find that HSBC should be liable for the rejection.

However, I think it's fair to say that HSBC should have notified Mrs L that the second transfer had been rejected. This would've saved her the cost of making another failed transfer. HSBC has offered to pay the loss incurred by Mrs L for the third transfer, £483.76, as well as £100 compensation. I think, in the circumstances of this case, that is a fair and reasonable offer.

I sympathise with Mrs L. As she had intended to make a payment from her account to the same payee, her husband, it would have been easy to skip through the various screens giving her information. But I don't think that HSBC did anything wrong here as from the screenshots provided I can see that the online process did set out what payment she was making and gave opportunities to correct any error particularly in respect of the currency being sent.

### **Putting things right**

HSBC should pay Mrs L a total of £583.76 compensation.

### **My final decision**

I uphold the complaint in part and require HSBC UK Bank Plc to provide the remedy set out under "Putting things right" above.

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

Ray Lawley  
**Ombudsman**