

The complaint

Mr A complains HSBC UK Bank Plc didn't do enough to assist him in locating funds that went missing after a transfer.

What happened

I sent the parties a provisional decision in March 2025, in which I set out the following background information to the complaint and my provisional findings, as follows:

Mr A explained he transferred €3,085 from his HSBC global money account to his son's account held with a third-party bank.

Mr A said his son told him the funds had not arrived in his account, explaining his son's bank had said the transfer had been rejected and the funds returned. The evidence provided suggests this was because the bank account Mr A's son had wouldn't accept transfers in from third parties.

Mr A has provided evidence the receiving bank transferred the funds back to HSBC through the same route they had been paid shortly after the transfer had failed. Mr A explained HSBC maintained the transfer had been successful and didn't assist him to recover the lost funds.

HSBC issued a final response letter in early October 2024 stating it had contacted the beneficiaries bank 'who confirmed the payment had been paid to the beneficiary as per your instruction'. Throughout further correspondence in October, HSBC directed Mr A back to his son's bank to locate the payment.

Our investigator didn't think HSBC needed to take any action. They explained the account Mr A was trying to send the funds too would not accept them and thought the delays in refunding Mr A were outside of HSBCs control.

Following our investigator's view, HSBC has provided information showing the funds were in fact received back in early September 2024. HSBC has since explained if the original payment details are not quoted in the return payment, then the funds are 'sidelined for further investigation'.

HSBC has explained in circumstances such as this, returned funds are held in a 'suspense account' until it receives a request from a customer asking where their funds are. HSBC said such a request would then instigate an investigation and the funds would be located and refunded.

HSBC accepted the funds had been sat in its suspense account between early September, approximately three days after the failed transfer, until 3 January 2025 when they were finally returned to Mr A. HSBC has subsequently offered £100 compensation for this.

Mr A explained this incident caused him significant distress and rejected our investigator's recommendation and the compensation offered. His complaint has therefore been passed to me to make a final decision.

My provisional findings

I've considered all the available evidence and arguments to decide what's fair and reasonable

in the circumstances of this complaint.

I appreciate how strongly Mr A feels about his complaint. Although I may not mention every point raised, I have considered everything but limited my findings to the areas which impact the outcome of the case. No discourtesy is intended by this, it just reflects the informal nature of our service.

The evidence I have seen shows the missing funds were indeed back with HSBC and sat in a suspense account for nearly four months whilst Mr A contacted HSBC several times to try to reclaim them.

HSBC said these funds would have been awaiting allocation after a customer had been in touch to instigate an investigation. The evidence suggests Mr A did indeed contact HSBC and wanted HSBC to start such an investigation. However, HSBC appear to have referred Mr A back to the beneficiary bank instead, and did little to assist Mr A, even despite evidence, provided by Mr A, showing the funds had been sent back to HSBC.

I am therefore provisionally satisfied HSBC didn't treat Mr A fairly and reasonably here. I provisionally don't think HSBC did enough to reasonably support and assist Mr A in locating the missing funds.

In considering what impact this is likely to have had on Mr A, I must first consider whether I think there is any liability on Mr A for the funds going missing. The evidence I have seen suggests the account Mr A sent the funds to couldn't accept them, I accept this wasn't a mistake of HSBCs, and this is the reason why the funds were returned.

However, I am not provisionally persuaded this absolves HSBC, to any significant extent, from its obligation to reunite Mr A with his funds once it had received them back and had been told the funds were missing.

I am therefore currently persuaded HSBC didn't do enough to assist Mr A when he contacted them and am therefore likely to uphold his complaint.

In determining what I think is a suitable award, I am provisionally persuaded this took a significant effort to resolve. Mr A was without the funds for four months, which is a considerable period, and appears to only have been resolved once our service became involved.

I am mindful Mr A has given details of his income, which I am satisfied demonstrates this was a significant sum of money to him, and has explained he has suffered economic difficulties. He also said he had to urgently secure further funds to make this transfer, which he described as creating a 'serious situation' for him. I therefore think there is evidence this would have been particularly distressing for Mr A. I have taken this into account when considering compensation for the distress and inconvenience this has caused him.

For these reasons I am provisionally persuaded the impact on Mr A was significant and am likely to award £300 for the distress and inconvenience this caused him.

I am also likely to require HSBC to pay 8% simple interest in sterling on the GBP equivalent sum of €3,085, for the loss of these utility of these funds between 5 September 2024 and 3 January 2025.

I also note Mr A has requested HSBC apologise for the mistakes it has made, I would ask HSBC to consider this as part of its response.

Finally, I understand Mr A has asked for us to 'reprimand' and 'sanction' HSBC. To be clear, our role isn't to punish or regulate businesses, instead where we find a business has done something wrong, we aim as far as possible to put the consumer back in the position they would have been in had the error not occurred. Any such regulatory activity would be within this remit of the regulator, the Financial Conduct Authority (FCA).

My provisional findings and the parties' responses

HSBC responded agreeing to my provisional decision. It also agreed to apologise to Mr A in its settlement email to him.

Mr A also agreed with and accepted my provisional decision.

I am therefore satisfied I can issue a final decision reflecting my provisional decision.

My final decision

For the reasons I have given, I uphold this complaint and require HSBC UK Bank Plc to pay Mr A compensation of £300 for the distress and inconvenience it caused him.

I also require HSBC UK Bank Plc to pay 8% simple interest on the GBP equivalent sum of €3,085 for the period of time Mr A was without these funds; namely between 5 September 2024 and 3 January 2025.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr A to accept or reject my decision before 16 April 2025.

Gareth Jones
Ombudsman