

The complaint

Mr M complains that HSBC Bank Plc (HSBC) have not completed an international transfer as he requested. He says the beneficiary has not received the funds.

What happened

In June 2024, Mr M used his HSBC bank account to make a payment of £4,000 to a business in Turkey. He arranged for the payment to be made via SWIFT, entering the details of the beneficiary himself.

In September 2024, Mr M contacted HSBC because the funds had not been received by the beneficiary. He asked for them to be recalled, or to be paid to the correct beneficiary.

As soon as HSBC were made aware the payment hadn't been received, they attempted to recall the funds. Over the following three weeks they continued to try and engage with the intermediary bank and the beneficiary's bank, but they were unsuccessful. Throughout this time HSBC kept Mr M updated with the steps they were taking.

The issue wasn't resolved, so Mr M complained. HSBC responded and said they could see the payment had been processed by the intermediary bank, so it was most likely with the beneficiary bank. They explained they'd sent SWIFT messages but had not received a response, but they would continue to do so. They also provided Mr M with the payment instruction number from the intermediary bank – which he could pass on to the beneficiary to see if their bank could trace the payment. HSBC acknowledged the inconvenience caused and said that once the payment had been received by the beneficiary, or recalled they would cover any losses as compensation, to ensure he was in the same position as when the payment was sent.

Mr M wasn't happy with this response – he wanted the money returned. He brought the complaint to this service. One of our Investigators considered the matter, and in summary, thought HSBC had evidenced that the money was no longer with them, but they had also made reasonable attempts to recall the funds. The Investigator thought the offer to cover any losses when the payment was returned, or paid, was fair.

Mr M remained unhappy. He said HSBC hadn't provided sufficient evidence to show the money crediting the beneficiary's account and he didn't think they had done enough to retrieve the funds. He has asked for the matter to be considered by an ombudsman.

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 might be helpful to explain what we expect from HSBC in this instance.

Firstly, we expect the sending bank to complete the international payment in line with the instructions input by the customer. HSBC has provided evidence of the payment instruction it

received and a letter confirming the 'advice of debit'. They've also provided a copy of Mr M's bank statement, which shows the £4,000 leaving his account. So, I'm satisfied HSBC made the payment in line with the instructions received from Mr M.

Where an international transfer appears to have become lost in the system, we'd expect the sending bank to make the necessary enquiries through the SWIFT messaging system to find out what has happened to the money and to take prompt, reasonable steps to ensure that the matter is resolved. The bank should be able to provide documentary evidence to show what enquiries and steps it took.

The same day HSBC were made aware there was an issue with the payment, they acted promptly in trying to recall the funds. And I've seen evidence that they continued to do this via SWIFT messaging throughout September and October 2024. Unfortunately, they did not receive responses from the beneficiary bank. Nevertheless, I'm satisfied they took reasonable steps to try and resolve the matter.

I understand the funds still cannot be located. I note Mr M has said that he has made payments to this beneficiary previously, but the information on the payment instructions is different to the transfers he made previously. I'm not sure if this was intentional, or whether Mr M keyed in the wrong information. Either way, it was Mr M's responsibility to ensure the payment information he provided was correct at the time he made the transfer.

I understand HSBC has provided Mr M with a payment instruction reference to pass on to the beneficiary or the beneficiary's bank, which might help trace the payment. I haven't seen any evidence that Mr M has done this, or any evidence which shows the beneficiary bank cannot locate the funds.

When it's unclear on what's happened, I must base my findings on what I consider is most likely to have happened. As things stand, I think it's likely that the international transfer was made as per Mr M's instructions and that it has likely been received by the beneficiary's bank. Different banking information was used to make this payment, than in previous payments, so it could be that the money is with the beneficiary's bank, but not in the beneficiary's account. Mr M should contact the beneficiary or the beneficiary's bank to see if they can provide him with any evidence.

I don't doubt this is a frustrating situation for Mr M, but I'm not persuaded the lost funds were as a result of any failing on HSBC's part, and I'm satisfied with the steps they've have taken to assist Mr M in recovering his funds. So, it follows that I do not think it would be fair for it to pay compensation to Mr M, or refund the funds to Mr M.

As a gesture of goodwill HSBC has agreed to refund any losses to Mr M when the funds are either returned or processed to the beneficiary. This seems fair in the circumstances.

My final decision

For the reasons I've explained above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 22 July 2025.

Rachel Killian
Ombudsman