

The complaint

S, a limited company, complains that HSBC UK Bank Plc failed to make an international payment causing reputational damage and delayed the return of its money.

What happened

S explains that on 11 November 2024 it authorised an international payment of Euros 8,300 to a key supplier abroad. The beneficiary didn't receive the payment. It was returned to S after two months. During that period S made multiple calls to HSBC and wasn't given a consistent explanation of where the money was and when it would be either credited or returned. S says that this caused reputational damage with its supplier and the resultant need to make different payment arrangements going forward.

HSBC said it had made mistakes and had compensated S for what happened. Originally S had made a duplicate payment. This was cancelled and a payment of equivalent Euros 8,300 debited S' account on 14 November 2024. It accepted that S had been given incorrect information about what was happening to the payment before then and it said that regulatory checks were being made. It paid S £250 for the inconvenience.

HSBC said that after that S had been told that the payment was being reviewed and then held by an intermediary bank. But then that it had told S that the payment had remained with it until it was refunded to S on 13 January 2025. Its Electronic Payment Services department had said that *"the delay was due to processing errors which unfortunately took them a great deal of time to rectify."* And that feedback had been given. It had further paid S compensation of £450 given the inconvenience caused. It had refunded the payment together with an exchange loss of £174.16 when converted back to sterling and a fee of £18. HSBC had also paid S simple interest of eight per cent for the time it held the payment, and this came to £93.88.

Our investigator didn't recommend that HSBC do anything further. He explained that as the complaint was from S, a separate legal entity, we wouldn't be able to take into account what its director had said about the stress caused to him. In addition, although the director had set out that he'd spent some 21 hours on behalf of S dealing with HSBC including time waiting on calls, we didn't tend to make awards based on units of time or apply commercial rates which S had estimated here would be £1,800. He said it was fair to consider the totality of what happened over the period and all the compensation paid already. The interest compensation at eight per cent for S being deprived of the funds was in line with our approach. He noted the impact on S' relationship with its supplier but that this seemed to have involved no further action. He said that taking into account what happened the compensation in total paid was fair.

S didn't agree and wanted its complaint to be reviewed as the compensation wasn't sufficient. It said that the level of trust with its supplier had been reduced as set out in a letter to S. And it effectively was on a final warning. S considered that in endorsing HSBC's approach we were supporting its bad practice in holding the funds for two months. The director of S said he'd felt bullied and was dealt with in an arrogant way by HSBC and he stressed the impact of what happened for S. The money he said was returned when HSBC

felt like it.

My provisional decision

I issued a provisional decision on 30 April 2025. I set out below what I said.

The main facts about what happened here aren't in dispute and have been summarised above. I needed to consider whether S has been sufficiently compensated. I needed to point out that this service doesn't make punitive awards and that I'd be taking into account our published guidance about compensation.

S has clearly been inconvenienced and has received poor service and misinformation about what had been happening with the payment. The time of its director has been diverted to dealing with this and he's detailed that including a branch visit. HSBC hasn't been able to explain why this matter took the time it did to resolve. And that's having dealt with an initial complaint, issuing a letter to S on 29 November 2024 stating that checks on payments can take time and then acknowledging that this it seems was a matter of processing errors. S has explained the steps it took to deal with its supplier. That supplier expressed dissatisfaction at the choice S had made to use HSBC, said that S' efforts to chase this up weren't effective and what HSBC had told it had been taken at face value. And that S had now found a payment solution that was effective. The supplier also explained that it had spent time contacting the intermediary bank which it had been told had the money and had also contacted local police believing the payment had been stolen.

I couldn't take into account the specific impact on that supplier in a complaint from S. But I could look at the reputational impact for S. I was satisfied on the information provided that as S says trust in that relationship was damaged and that it required S to take considerable efforts to rebuild things. And that it needed to arrange a new payment mechanism with a different financial business. It's a matter for my judgement as to what the impact for S was. And in my view that'd not been sufficiently accounted for in the compensation already paid.

I agreed that the simple interest paid, and refund of fees and exchange difference was appropriate. But I didn't consider that the compensation already paid reflects the full inconvenience and impact for S taking into account what I've said above. Accordingly, I intended to require HSBC to pay S a further £300 to reflect this.

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.

S said that it accepted my decision and the award of further compensation.

HSBC said it didn't agree and wanted me to issue a final decision. It emphasised the compensation it had already awarded. The delay in the payment being made and resolved was two months. HSBC referred to our published guidance about compensation for inconvenience. HSBC said this was a case of a 'serious short-term impact' over many weeks but not a 'substantial short-term impact' over many months. And so, compensation in the award range of up to £750 as it had already made was appropriate.

I've considered this submission carefully. I did explain in my decision that I'd taken into account an element of reputational impact in forming my award. I'd received information to support that the reputation of S in the view of its key supplier had been damaged and that this was supported by a letter from that supplier. And that was in addition to what I'd said about the inconvenience to S of this payment being delayed. I did take into account our

published guidelines and formed my own judgement as to what is fair. Having reviewed this again I remain of the opinion that a further payment of compensation of £300 is the fair and reasonable outcome here taking into account the reputational impact of what happened for S.

My final decision

My decision is that I uphold this complaint and require HSBC UK Bank Plc to pay S a further £300 in addition to what it has already paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 26 June 2025.

Michael Crewe
Ombudsman