

The complaint

Mr L complains that he was charged fees that he wasn't told about by HSBC UK Bank Plc (trading as First Direct), for international transfers.

What happened

In November and December 2024, Mr L carried out a series of transfers of money abroad. He was aware that HSBC would be charging £5 for each transfer. However he was disturbed to see that, some two months later, he was charged an additional £20.66 for each transfer, no matter what the amount was. As a result he says his account became overdrawn. He contacted HSBC as he was concerned that the charges were fraudulent.

HSBC responded that the charges were applied by an intermediary bank. It said that Mr L was warned in advance when he set up the payments that, for transfers outside of the UK, intermediary and receiving bank charges might apply. It wasn't able to tell him in advance what those fees were. The intermediary charged according to its own pricing structure which HSBC has no control over. Those charges were only applied to Mr L's account when the intermediary bank notified it.

Mr L was unhappy about this and referred his complaint to the Financial Ombudsman Service. Our Investigator said they were satisfied that HSBC had treated him fairly as it made him aware that there might be a charge from the intermediary bank.

Mr L disagreed, and he said that he wasn't advised at the time that there would be additional fees. He also said that, when setting up each payment, for some of them he changed the option of who would pay the fees.

The matter has been passed 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.

Firstly, I can understand Mr L's frustration at the charges appearing in his account some two months after they were incurred. And that a standard charge of £20.66 was made for each transfer no matter what the amount. Although Mr L thought the charges might be fraudulent, I'm satisfied that HSBC didn't need to investigate this point further. As the charges related to legitimate international payments.

When Mr L set up the payments there was a screen which allowed him to select how the fees would be charged. The options were:

- Sender (Mr L) to pay all the fees.
- Payee to pay all the fees.

- Shared - sender pays HSBC's fees, and payee pays the fees applied by their bank and any other banks used to send the payment.

But though Mr L may remember it differently, on each of the payment receipts for his transactions, it is set out that he selected the first option i.e. he paid all the fees. And all the options made clear that fees included HSBC's and any other banks' fees. So Mr L would have been aware that other fees might be charged.

The fees information sheet linked to the terms and conditions of Mr L's account with HSBC sets out that *"If we send money outside the UK we may use an intermediary bank. This intermediary and the receiving bank may also impose charges"*. This information is also available on HSBC's public website.

As to whether HSBC should have warned Mr L of these charges in advance, it's told us that it wasn't told by its intermediary bank what those charges were. And the charges were only debited from Mr L's account when HSBC was notified of them. I understand that Mr L's account went overdrawn, but HSBC has clarified that he wasn't charged any interest and it didn't affect his credit rating.

I have considered whether HSBC should have obtained that information and set out a list of international charges in its terms and conditions. I don't think that, bearing in mind all the different currencies and countries involved, this would be practical or realistic. And as those charges might be subject to change, which HSBC might not know about, it could be misleading.

I'm aware that the intermediary bank in this case was an HSBC Bank. But I should clarify, that that HSBC is a separate legal entity to HSBC UK, even if they're part of the same global banking group. I only have the power to consider the actions or omissions of HSBC UK in dealing with Mr L's transfers.

In respect of dealing with his complaint, Mr L raised it on 17 January 2025. He says he was told he would be called back the next day. He didn't receive a call back but had to call again himself. It was explained then that the fees related to international charges and a final response letter was sent to him on 20 January. I understand his annoyance at not being called back. But as he got a relatively quick explanation about the fees I won't ask HSBC to do anything further.

So overall I know Mr L will be disappointed, but I think HSBC acted reasonably as it made him aware that there might be charges. And it has reasonably explained why these couldn't have been notified to him in advance.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 8 July 2025.

Ray Lawley
Ombudsman