

The complaint

Ms C complains about HSBC UK Bank Plc's ('HSBC's') handling of an international transfer sent with the incorrect details. She thinks HSBC didn't do enough to return the funds.

What happened

I issued a provisional decision on this complaint, inviting both parties to let me have any further comments. Below is a copy of what I provisionally decided and why.

In early March 2024, Ms C made a payment of £10,000 using her HSBC Global Money (GM) account, which she says she did with help from staff at a branch. The payment details that were entered were for Citibank NA for an account in the name of Mr M. The payment was intended to go from HSBC to Citibank, it would then be sent to the beneficiary holding an account with Bloom Bank in Sierra Leone.

The payment was released and credited the account with Citibank on 5 March 2024. Ms C called HSBC on 11 March 2024 advising that the payment hadn't arrived with the beneficiary. She said she'd made a mistake and entered the incorrect details. HSBC said they would raise an 'incident' on the payment and started the process for a recall.

Ms C called a few days later for an update and asked HSBC to return the funds to her and they said they would process the request. But shortly after, they confirmed that the payment had been credited to the Citibank account on 5 March and therefore the transfer had been completed.

Ms C spent some time going to a branch and contacting HSBC by phone about the payment as it wasn't with the beneficiary. She asked them to prioritise the issue as the money was needed to pay a hospital bill for a family member.

She complained because she didn't think the bank were doing enough to help her, but HSBC didn't think they had made an error in the payment journey as the funds had arrived in the account they were sent to using Ms C's instructions.

Dissatisfied, Ms C brought her complaint to us, particularly as she couldn't get the funds back and the beneficiary said they didn't have them. HSBC contacted Citibank multiple times and later tried to recall the funds, but they said it wasn't possible due to the delay in Ms C raising the issue.

One of our Investigators reviewed this complaint. They initially said that HSBC hadn't made an error and the evidence suggested that the payment went to the correct account details. Upon further review, the Investigator added that because the payment details were entered by Ms C, HSBC weren't responsible for it not reaching the beneficiary and as far as they could tell, she had raised the issue too late for the funds to be recalled. Ms C didn't accept the conclusions and asked for the matter to be reviewed by an Ombudsman. As such, the complaint has been passed to me.

Whilst the complaint has been with us, Ms C and HSBC have continued to try and recover the funds. And both Ms C and Citibank have since confirmed that the payment was eventually passed onto the beneficiary bank in Sierra Leone, but there's dispute around what's happening with it now. Citibank has said that the funds are still with the beneficiary. But Ms C says that the money has been returned to Citibank as it was no longer needed.

What I've provisionally 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.

How the payment was made

Ms C has told us that the payment was made while she was in branch with staff support, but she's been unable to provide evidence to support this and the Investigator was unable to obtain it from HSBC. The GM account can only be used via mobile banking, so if staff were involved, I think it's likely that they would have explained how it works, but the payment details would still need to have been entered by Ms C.

When Ms C called HSBC on 11 and 14 March 2024, she said that she made a mistake by inputting the incorrect account details. Specifically, that she used the beneficiaries individual name instead of the name for their business account. If Ms C was told what to enter on the app, I think she would have most likely mentioned it at this point.

Ms C has provided an image of the payment details she was given. Unfortunately, these weren't clear instructions and didn't tell her exactly what she needed to enter. In this case Ms C entered the correspondent bank details however there's no mention of the recipient account holders name (Mr M) on this document.

If HSBC did direct Ms C on what to enter into the app, then I can't see how they would have known the personal name of the account holder. So, on the balance of probabilities, I think it's more likely than not that Ms C entered the details herself and without the guidance of branch staff. As such, I can't hold HSBC liable for the payment being sent with incorrect details.

Where the payment went

As mentioned above, the payment instruction that Ms C was provided with by the beneficiary wasn't clear. It contained the full details for the correspondent bank and the beneficiary bank with no mention of what details needed to be used.

HSBC's system prints show that Ms C chose to send the payment to Citibank NA using the bank account number for the beneficiary bank – Bloom bank SL. Some consumers opt to do this because the beneficiary bank (Bloom) can move the funds internally to their domestic account held by the intended recipient (Mr M).

Unfortunately, as Ms C entered the incorrect account name it would be difficult for this to happen as there's no reference to show where the money is supposed to end up. So, it's likely that this error has led to some of the problems Ms C has experienced.

HSBC are responsible for completing the payment using the details entered by their customer and I'm satisfied that they've done this based on the evidence provided. I'm also satisfied that the funds successfully credited the account held with Citibank.

Ms C has confirmed that the payment eventually arrived with the intended beneficiary in Sierra Leone. HSBC have provided evidence of their contact with Citibank which suggests that the payment was released to the beneficiary between September 2024 and February 2025. I've requested evidence of exactly when this was released, but I've been unable to obtain it.

Ultimately, while the payment details weren't entered correctly, it has arrived at its intended destination – albeit much later than Ms C expected. Technically, the payment journey has been completed, so HSBC's role as the sender of the funds has also ended. If Ms C seeks return of the funds she would need to speak to the holder of the receiving account as they would be responsible for correctly instructing their bank to send the funds back to her.

Attempting to recover the payment

Ms C contacted HSBC on 11 March 2024 at 6pm as the payment hadn't been received by the beneficiary in Sierra Leone. She explained that she entered the incorrect account name, so she thinks something has gone wrong. Following the call, HSBC raised an internal ticket to request that the payment is recalled. This was rejected by their internal team as it was over five working days between the date that the payment was sent (2 March 2024) and the date that the recall request was raised.

HSBC have since said they're no longer able to recall the payment based on the National Automated Clearing House Association (NACHA) rules – which was the payment system used to make the international transfer. I've reviewed multiple sources including 'nacha.org' to obtain an understanding of the rules and found the following.

The rules state that a reversal request (recall) must be made within five business days following the settlement of the incorrect payment. HSBC has suggested that the term 'settlement' relates to the date that the payment was released, but I disagree.

Multiple NACHA articles refer to the term 'settle' and 'settlement' when discussing the completion of transactions, for example - 'Nacha estimates 80% of ACH payments settle in one banking day—or less (by regular and Same Day ACH)'. I've seen nothing to suggest that settlement relates to the initiation of a transaction, so on balance, I don't think HSBC's interpretation of this rule is correct.

The payment credited the account with Citibank on 5 March 2024, so based on the above, Ms C would have had until the end of the day on 12 March 2024 to make HSBC aware of any issues with the payment as that was the fifth business day after the transaction had been settled.

I've listened to the call Ms C had with HSBC on 11 March 2024 at 6.01pm. Ms C made it clear that she had entered the wrong information, and it hadn't arrived so she was worried it wouldn't get to the correct place. I can see that based on this HSBC raised a recall request, but they didn't proceed due to the incorrect interpretation of the above NACHA rule. While Ms C called outside of standard hours, HSBC still had another working day to raise the recall request, so they didn't handle this process correctly.

What should have happened

There's little evidence to show how the funds eventually got to the intended beneficiary in Sierra Leone and when this happened, as this was all done by third-party organisations in another country. So, my considerations of what would have changed if a recall request was processed will come down to what I think was most likely to have happened based on the evidence I currently have.

Based on the above, I think HSBC should have processed a recall request for Ms C on 12 March 2024. I can see that they instead raised a trace request a few days later. Citibank came back to this quickly and has remained responsive to HSBC's contact, which suggests that had the recall request been handled reasonably, Citibank would have responded and successfully returned the funds to Ms C.

I'm convinced that Ms C would have wanted to reattempt the payment – with the correct account name if it had been returned because she says it was needed for a specific purpose. However, the fact that it's taken so long for the payment to arrive in Sierra Leone suggests that this would have never been a straightforward process either.

The payment was sent with the personal name of the account holder, which should have been the name of their business as it was a business account. In this case, the payment successfully arrived with the beneficiary (Bloom bank) and it looks like the challenge was allocating the funds to the account held by Mr M's business.

It took at least four months for the money to be moved from Citibank to the account held by Mr M's business due to an incorrect account name. Even with the incorrect name, I still think this is a long time. So, I don't think this is a refined process and is likely to often experience delays as it would require open communication from multiple parties.

Based on what I've seen on this case, even if the account name was entered correctly, I still think it would have taken some time to arrive in Mr M's business account as this isn't a straightforward process. So even if the payment had been reattempted soon after the funds were recalled, it still would have taken multiple weeks and potentially months for the whole process to be completed. Taking this into account, had everything been handled correctly, I think it's more likely than not that the funds would have arrived in Sierra Leone in late April considering the time spent returning and resending the payment.

The impact of HSBC's delays

Ms C has explained that the funds were needed to pay for medical bills for her brother who had a terminal illness, and while the complaint has been with our service, he has sadly passed away. I'm so sorry to learn of Ms C's loss and would like to offer my condolences.

Ms C has said that HSBC's lack of support resulted in her brother passing away, and whilst I can understand some of her interactions with them exacerbated her stress, I've not seen anything to show that it was their actions alone that caused this loss.

I can see that Ms C was clear to HSBC about the urgency of the matter in early April 2024 and I don't think HSBC responded appropriately as they didn't attempt to recover the funds until months later. While they wouldn't have been able to do this using the NACHA payment system, they still could have contacted Citibank directly a lot sooner. While this may not have been successful, it would have shown Ms C that they had heard her requests. Instead, Ms C has experienced a lack of support from HSBC in a time of need.

Putting things right

As set out previously, the money has arrived with the intended recipient in Sierra Leone and even if HSBC handled the recall appropriately, this was always the intended result. As the transaction has been successfully completed, I can't say that Ms C has lost out financially despite the delays. Ms C has said the money should be on its way back to her, however Citibank have said that they haven't had a response from the recipient – so Ms C will need to

work with the receiver of the funds to get them sent back.

It's important for Ms C to understand that HSBC's involvement as the sender of the payment ended when it was received by the beneficiary. So, they aren't liable for the effort she'll need to go through if she wants the funds sent back to her.

I've been unable to obtain an exact date of when the funds left Citibank and arrived with the intended recipient in Sierra Leone. But as mentioned above, this would have been between September 2024 and February 2025. Given, Ms C updated us on the whereabouts of the funds in late January 2025, it's likely that they would have arrived during the same month.

While there isn't a financial loss for what happened, I think this has led to a substantial level of distress for Ms C over a sustained period of time. The funds were stuck between parties for ten months when it's likely that they would have arrived at the right place in less than two months had HSBC handled the recall process correctly. Ms C has spent this time worried about the potential loss of the funds and upset that she was unable to support her family in a time of need. As such, I think HSBC should recognise this by paying Ms C £800 compensation.

My provisional decision

My provisional decision is that I intend to uphold this complaint and direct HSBC UK Bank Plc to pay Ms C £800.

Responses

I asked for both parties to let me have their responses by the deadline. HSBC responded accepting what I said however Ms C didn't respond.

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.

Given that I haven't been presented with anything compelling disagreeing with my provisional decision, I see no reason to depart from it. Therefore, I fully adopt my provisional decision as part of this final decision. My conclusions are that HSBC has acted unreasonably and must pay Ms C compensation to put things right. I assess that £800 should be paid to resolve the complaint in full and final settlement.

My final decision

My final decision is that I uphold this complaint and direct HSBC UK Bank plc to pay Ms C £800.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms C to accept or reject my decision before 15 July 2025.

Chris Lowe
Ombudsman