

The complaint

Mr B complains that a transfer of a substantial sum of US Dollars (USD) was delayed in reaching and crediting his account with HSBC UK Bank Plc.

What happened

On 7 March 2025 Mr B's U.S. bank sent his money via SWIFT transfer to his HSBC account. He contacted HSBC via live chat and was told that such payments normally take between three and five working days.

He contacted HSBC again on 18 March. He was told to contact the sending bank for them to send a trace to HSBC. It subsequently advised that the payment had been transferred to a holding account as the incorrect beneficiary code and account number had been entered. The sending bank sent through amended instructions on 21 March. However HSBC advised that it could not accept those amended instructions because of the risk involved. The payment had to be manually traced and then sent back. This happened on 7 April and the sending bank advised to resend with the correct details.

The monies were received into Mr B's account on 16 April.

Mr B complained to HSBC that it had delayed the payment and caused him to lose interest. Also that he had contacted it on a number of occasions and was just told to wait. He was also advised to contact an HSBC branch when he was abroad to make a transfer once the monies were received when in fact he couldn't do that.

HSBC said it wasn't responsible for the incorrect information being supplied by Mr B's sending bank and that it had acted reasonably to trace the payment and send it back. It agreed however that it had provided conflicting information to Mr B on a number of occasions and paid him £1,500 compensation for the inconvenience caused.

On referral to the Financial Ombudsman Service, our Investigator said that the amount that HSBC had paid by way of compensation was reasonable.

Mr B didn't agree, in particular pointing out that the delays meant that HSBC would have earned a substantial amount of interest on his money.

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.

I've firstly looked at the actual transfer process in this case. Whilst I note that Mr B's sending bank has given him different information, I can only look at the process from HSBC's point of view and what it requires. Firstly I am satisfied that, whatever his sending bank might have told him, when the monies were originally sent, they had an incorrect BIC (Bank Identifier Code) and IBAN (International Bank Account Number), so they could not be attributed to Mr B's particular account. So the monies were automatically routed to a holding account.

When Mr B's sending bank was told of this, it amended the instructions and sent those to HSBC. I understand that HSBC will not accept amended instructions and their process is to send the payment back and request for the money to be transferred again using the correct details. From the date of receiving the amended instructions until sending back to the sending bank took 11 working days. I understand that Mr B was told that the original transfer should only take between three and five working days but I can't take that time into account for the transfer back.

I understand that this process required manual instructions to trace the payment from the holding account and then send back. And there are no particular SLAs (Service Level Agreements) in place for this sort of transfer. So, I've considered it on the basis of what was in my view fair and reasonable.

My understanding is that as soon as the transfer was received back with the correct account details, Mr B was told of this.

So from a process point of view, I don't think that there were any errors on HSBC's part. But it does appear that Mr B was kept in the dark and was continually having to chase matters up. He was consistently told to wait and given conflicting information about what was happening. And it must have seemed to him like excessive bureaucracy on HSBC's part. It would have been aware that the monies were within its system but had to wait until the correct information came through.

I don't think that HSBC was in a position to send back the money straight away. With the amount of money concerned here, it had to be assured that it was going back to the right account.

I'm aware that Mr B was abroad at the time the monies came back, and that he was given the wrong information about going to an overseas branch for HSBC. But I can't hold it responsible for any subsequent delay in his being able to transfer monies to an appropriate account.

I believe that Mr B was caused substantial distress and inconvenience and this is reflected in the amount of compensation HSBC has paid. But I don't think it appropriate to ask it to pay any interest. That's because I don't think that HSBC was responsible for the monies being originally sent with the incorrect instructions or for the subsequent delay in the monies being received.

My final decision

I don't uphold the complaint as I'm satisfied that fair and reasonable compensation has been paid.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 7 January 2026.

Ray Lawley

Ombudsman