

The complaint

Mr E is unhappy with HSBC UK Bank Plc. Mr E attempted an international transfer that didn't go through, resulted in a financial loss, poor service and delays.

What happened

Mr E was sending money abroad. He got confirmation the transaction had been processed, and the money would reach the beneficiary with 72 hours. The money never reached the beneficiary.

When Mr E questioned why the funds hadn't arrived HSBC said the funds were sent to its chosen intermediary and the following day onwards to the beneficiary bank. The beneficiary bank declined the transfer and HSBC advised Mr E he would now have to initiate a return request to get the money back.

The money eventually came back minus £195.45. HSBC said this was due to exchange rate variations and administrative fees.

Mr E felt this was completely unjustified. He continued HSBC had made no attempt to contact him about any missing details prior to the transfer being declined. He noted it took almost a month to get the money back.

Mr E said HSBC had made negligent choices with the intermediary bank, had given inadequate communication, failed to safeguard his interests and lacked transparency over the lengthy delay in returning his money. He didn't like that the intermediary bank was profiting from a service that had failed him.

HSBC said it didn't have capacity to track and update customers on all international payments. It said it gave customers this opportunity through the HSBC mobile banking app. In this complaint it said it didn't get any enquiries for it to respond to, so it wouldn't have known about the payment being declined until it was advised the money had been returned. It said this wasn't within its control.

HSBC said it wasn't liable for any charges or foreign exchange loss if a payment is returned.

Mr E remained unhappy and brought his complaint to this service.

Our investigator didn't uphold the complaint. She said the transfer was put through promptly and correctly. She said HSBC wasn't aware the money had been returned to it until it was advised of this. And once it was aware it returned the money to Mr E in two working days. She felt this was a reasonable timeframe. Our investigator noted HSBC had tried to get further detail from the receiving bank but hadn't received anything. She accepted the terms made it clear that there might be exchange rate losses.

Mr E didn't accept this and asked for his complaint to be passed to an ombudsman for a final decision.

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 read and reviewed all of the information provided, but I will only comment on factors that I think are central to this complaint.

Mr E said the problems were HSBC issues. He said he didn't choose the intermediary bank this was HSBC's decision.

As far as Mr E was concerned the intermediary bank were the only beneficiary of the failed transfer as it profited from the failed service.

Mr E said the delay in the money being returned to him was the direct cause of his financial loss.

Mr E also referred to laws and contractual terms that he said meant HSBC must take further action to refund him for his loss.

There's no dispute that HSBC sent off the payment correctly.

HSBC maintained that it was clear in its terms that it wasn't responsible for any foreign exchange loss or fees.

HSBC said the recall of funds came with a £25 charge and explained again that further charges may apply and that there wasn't a guarantee that it would get the funds back at all. It confirmed attempts to get the money back were done on a "*best efforts*" basis.

HSBC maintained Mr E could have tracked his transfer details through the online banking app.

I completely understand Mr E's disappointment. Anyone would feel the same in this situation. But I can only look at the actions of HSBC, the transfer elements that it was in control of, and if based on those it acted fairly and reasonably. And in this case I think it did.

I note Mr E said this service had upheld complaints where there had been a loss due to a change in interest rates, but I don't think this is one of those complaints as each complaint is dealt with on its own merits.

Mr E noted the details for the non payment of the transfer were "*unable to apply*" and he wanted more details. I think that's perfectly understandable in the circumstances but this service notes that HSBC did attempt to get more information, but none was forthcoming. So, I don't think HSBC has done anything wrong here. It asked for more information, but it didn't get any suitable response from the beneficiary bank.

I take Mr E's point about the delay in getting back his money. It did take a long time. And it is clear that the money had been returned to HSBC. But it is also clear that the intermediary bank didn't notify HSBC that the funds had been returned. So, HSBC would have been unaware that this was Mr E's money. Once it was aware it returned the money within two working days. I think that's fair and reasonable from HSBC.

It wasn't HSBC that declined the payment. It was the beneficiary bank. So, I can't hold HSBC responsible as it did what was asked of it in attempting the transfer. I think it acted fairly and reasonably.

My final decision

I don't uphold this complaint.

I make no award against HSBC UK Bank Plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 2 January 2.

John Quinlan
Ombudsman