

The complaint

Mr H is unhappy that deductions were taken from an international bank transfer via his HSBC UK Bank Plc account.

What happened

Mr H made a transfer of over \$35,000 through HSBC to purchase some goods. Despite selecting to pay any fees on top of the transaction, just over \$17 was deducted from the amount transferred, before it reached the recipient.

Mr H says that after noticing a delay in the purchase completing, he contacted the recipient who told him about the shortfall. The recipient agreed to complete the order on a goodwill basis.

Mr H complained to HSBC that he had opted to pay any fees up front and so there shouldn't have been any deductions to the amount transferred. He said if the transaction hadn't gone ahead, the same purchase would've cost him over \$2,000 more.

Mr H wanted HSBC to take several steps, including to conduct a thorough investigation into what had happened, prevent a recurrence, and pay him £150 in compensation for the inconvenience and time it had taken for him to deal with the issue.

HSBC didn't uphold the complaint. It said it had complied with Mr H's request and that the deductions had been made by other banking institutions involved with the transfer, over which it didn't have any control. Although it didn't think it had made an error, it transferred £20 to Mr H on a goodwill basis.

Mr H remained unhappy and referred his concerns to the Financial Ombudsman Service. He said he hadn't had this issue when making international transfers through a different bank, and wasn't entirely sure whether the issue was fully outside of HSBC's control. Mr H said he wanted clarity moving forwards about what would happen if he did a future transfer through HSBC. He also wanted clarity on the legal framework of bank obligations for international bank transfers, and £250 compensation in proper recognition of his time and the inconvenience he'd been caused.

An Investigator here issued an assessment of the case. In summary, they said that HSBC had made it clear on their website that other banks involved in an international transfer may levy charges, and that such charges are outside of HSBC's control. The Investigator didn't think HSBC had acted unfairly or unreasonably, and didn't uphold the complaint.

Mr H said he wanted to take the matter further. He said he'd selected to pay all associated fees for the transaction, to ensure that the full amount reached the destination bank. He said that if HSBC couldn't in fact guarantee this would happen, it should do more to make this clear. He questioned whether the payment system was fit for purpose.

Mr H referenced specific sections he'd found in the account terms and conditions, saying these supported his point of view. And he said HSBC offered a different account which

indicates that no fees will apply – calling into question what HSBC had said about it not being in control of fees charges applied by other banks.

The Investigator's opinion remained unchanged, and so the case has been passed to me to make a 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.

Having done so, I've reached the same overall outcome as the Investigator. I'll explain why.

First, Mr H has questioned whether the system of international payments is fit for purpose. This falls outside of my remit – it would be a matter for the industry regulator to consider if it had a concern. My remit is to consider the individual dispute Mr H has raised about HSBC's actions in relation to the relevant bank transfer.

I also note Mr H has said he hasn't encountered this issue when making international transfers through other banks. That could simply come down to the nature of those transactions and the particular banking institutions involved in those transactions. It doesn't affect my evaluation of what's happened here.

I can understand Mr H's frustration at what happened. From his perspective, he'd opted to pay any relevant fees, to ensure that the full amount being transferred reached the destination account. However, the fact the full amount didn't reach the destination account doesn't necessarily mean that HSBC has made an error, or otherwise treated Mr H unfairly. This is what I've considered.

As part of this, I've considered what Mr H has said about the relevant account terms and conditions. Mr H has pointed to several sections within the terms and conditions. He says that nowhere in these sections does it obviously indicate that where a sender elects to pay all fees associated with the transfer, this isn't guaranteed because of a lack of control over other banking institutions that may be involved in a transfer.

Having reviewed the terms and conditions and considered what Mr H has said, I'm not persuaded this means HSBC has made an error. I say this because on my reading, none of the sections Mr H has referred to suggest, or contain a guarantee, that there will be no deductions by other banking institutions involved in an international transfer. In fact, the wording in one section contains an explicit warning about other banking institutions involved with the transfer potentially making deductions.

The warning doesn't suggest that it doesn't apply if the sender elects to pay all fees and charges - which would indicate it applies to all scenarios. I'm satisfied that the transaction information provided by HSBC shows that the deductions were made by banking institutions outside of its control.

With these things in mind, I find that HSBC hasn't made an error or otherwise treated Mr H unfairly. I'd also add that Mr H hasn't suffered a financial loss here. HSBC has paid him back more than the third-party banks deducted, and the seller proceeded with the purchase despite the shortfall in what it received. As such, I don't require HSBC to do anything further.

Finally, Mr H has asked a number of questions about other products and services offered by HSBC. Mr H will need to contact HSBC for any further information he requires about those products and services.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr H to accept or reject my decision before 4 March 2026.

Ben Brewer
Ombudsman