Financial Ombudsman Service

The complaint

Mr S complains to HSBC Bank UK Plc about a delay in transferring his investments to another company which resulted in him missing the opportunity to trade.

What happened

Mr S held two exchange traded funds (ETFs) on HSBC's platform. On 2 July 2024, he instructed a transfer to another broker I will call A. Mr S recalls the funds leaving his HSBC account on 1 August but not arriving with A until 14 August. Across the period, Mr S was frustrated with not being able to trade – especially given he saw the market dip and felt he was missing out on opportunities. Given the combined value of the investments was nearly $900,000, he thought the missed opportunity to trade has lost him somewhere between $97,000 and $222,000.

Mr S was unhappy with HSBC as transfers ought to take up to 30 days, but for a month nothing happened at all and then when it did, the investments disappeared for another fortnight. Mr S also recalls spending hours on the phone, repeatedly chasing things up which was not only inconvenient but also distracting him from other revenue.

Mr S complained to HSBC and they issued their final response letter on 6 September 2024. They said, in short, that the process started on 8 July and finished on 19 August – the 42 days it took was therefore outside of the normal 30-day window by 12 days. This was due to the team submitting the instruction incorrectly – to apologise, they offered £250.

Mr S remained unhappy and asked to understand more about HSBC's liaison with A as well as to challenge the low compensation offer against the ultimate value of his claim. As things weren't resolved, he asked our service for help in increasing the offer of compensation to a mid-point of around $160,000. One of our investigators had a look at what'd happened and agreed HSBC had missed the Government guideline of a 30-day transfer but didn't agree it followed HSBC should compensate Mr S for missed opportunity.

Our investigator said that Mr S' transfer was an in-specie one, so his investments remained intact and he benefitted from any positive volatility during the period. She couldn't see he'd tried to sell any stock during the period and noted the share prices had risen upon settlement so if anything, Mr S could've sold stock then and have been better off. Without any attempt to trade to mitigate the missed opportunity, our investigator couldn't award any more as she saw the loss as a hypothetical.

Mr S didn't agree – he said he'd been in touch with HSBC and A on multiple occasions to chase things up and asked how he could have mitigated his position by trying to trade given that in July, a transfer instruction was in place and in early August, the funds were inaccessible via both HSBC and A. As things remained unresolved, the complaint was passed to me to reconsider.

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'll take Mr S' complaint in two parts – firstly, his request for compensation given he was unable to trade and benefit from the volatility during the process and secondly, the customer service HSBC provided throughout the transfer window.

It is not disputed that HSBC took longer to facilitate this transfer than they ought to have done. They've shared that an internal administrative error delayed the transfer from being actioned as soon as it could've been. The transfer took 42 days in total – outside of the guidance I mentioned earlier – and Mr S seeks compensation as a result of this. While he remained in the market, in terms of the in-specie transfer, his concern is instead that the invested monies had to remain within the funds during the transfer, meaning he wasn't able to use the ~$900,000 for other investment decisions.

When I asked him more about his claim, especially given HSBC's point that the shares continued to go up in value after the transfer was complete, he explained that his losses didn't stem from the ETFs performance, rather, the economic effect of denying him access to his capital. His view was that the delay prevented him from deploying his capital as desired and he gave the analogy that HSBC's position was equivalent to one of their branches refusing to allow a customer to withdraw funds for a home purchase, only later to say there is no loss to them given the funds attracted interest in the interim.

I understand the point Mr S makes – with his money effectively tied into the ETFs he couldn't invest in other opportunities that arose during the transfer window; a time at which he spotted a material dip in the wider market that was over once the transfer was complete. But although can appreciate where he is coming from, I'll explain why I don't agree that it would be reasonable to compensate him now.

A key concern I have is around the inability to evidence Mr S' desire to trade during the transfer period. As the investigator explained, to establish that the claim is more than hypothetical and that a quantifiable value could be placed on the alleged lost opportunity, we would need testimony and evidence to essentially form a persuading picture of what Mr S was looking to do at a certain point in time. Without reaching this point, even if a claim for lost opportunity could be upheld – and for the avoidance of any misunderstanding, I do not say or suggest such a claim is upheld – there would be no way of determining precisely what redress should be, because there would be no way of knowing what the value of the lost opportunity was.

I have considered Mr S' submissions on the matter. I understand them, but they fall short of establishing evidence of what probably would have happened had the funds been tradeable, nor do they evidence a quantifiable value that can be placed on the alleged loss of opportunity. What we have instead, is a situation where Mr S says he could or would have traded, into something else undefined, at a time that might have been anywhere within around six weeks. And I don't think that's a claim with reasonable grounds.

Having seen how often Mr S followed up with HSBC, it surprises me that this point is omitted from any of the communication. While I take his point in that he wouldn't have been giving trading instructions to the customer service members of staff, I would have expected him to mention in passing why he was particularly keen to get things resolved. Some of the calls were fairly lengthy, so to not mention this at all means HSBC couldn't have been aware. While Mr S will quite rightly say it wouldn't have made a difference at the time, as nothing seemed to speed things up, it would have given us something to consider now.

While Mr S said the very nature of a trading account is that the customer will want to trade and this situation ought to have been presumed, in situations like this there will always be an inherent inconvenience in moving investments between providers. Though businesses ought to work to keep this inconvenience minimal, during an in-specie transfer there will be a point at which it might be harder to make an immediate trade decision and instruct either business to attempt to execute a sale. If Mr S was the sort of trader who was watching the market for opportunities and might have wanted to move his investments around regularly rather than take long term holds, it's likely he'd have had more flexibility had he have sold the ETFs and then withdrawn the proceeds from HSBC to reinvest on A's platform.

So from everything I've seen on this point, I don't think it'd now be fair to hold HSBC liable to pay a considerable sum in compensation for an undefined missed opportunity that we could reasonably demonstrate is free from the benefit of hindsight.

Where I do agree compensation is due is in relation to HSBC's customer service. Not only did they delay the transfer after not realising an internal administrative error was holding things up, they added to the issue by being very unhelpful with Mr S on repeated occasions. Having listened to some of the calls, I heard Mr S remain very calm while repeating the same question, which continued to remain unanswered. Call handlers didn't have visibility over what issues the transfer faced and Mr S was told on a number of occasions the matter would be escalated, yet nothing seemed to come from any of the escalations, nor could any further members of staff find updates on prior escalations. He was also promised call backs which weren't made.

HSBC offered Mr S £250 to apologise but I didn't think that was enough, so they have agreed with me that £450 is more reflective of the inconvenience and frustration caused. Though I appreciate Mr S will still think this is far too little given the ultimate size of his claim, I think it's reasonable given the circumstances.

Putting things right

HSBC Bank UK Plc should pay Mr S £450 to recognise the distress and inconvenience caused as a result of the delay itself and the customer service failings alongside.

My final decision

For the reasons explained, I uphold this complaint in part and direct HSBC Bank UK Plc to pay Mr S £450. Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or reject my decision before 16 March 2026.

Aimee Stanton
Ombudsman