

complaint

Mr R complains about the service he received from HSBC Bank Plc in relation to his currency account.

background

In May 2016, Mr R asked HSBC about its exchange rate for Australian dollars. He made an appointment to open a currency account. He asked again about the exchange rate and wasn't happy about the information he was given. The bank hadn't told Mr R to bring his tax identification number, so he had to return on a later date to complete the opening of the account. The bank offered Mr R vouchers worth £25 for his inconvenience.

Mr R opened the account and paid in a cheque in Australian dollars. He says the bank told him it would take one or two weeks to clear. He later found out that it took much longer than that. HSBC couldn't establish whether it had made an error but offered Mr R vouchers worth £100 as a gesture of goodwill.

Mr R remained unhappy about the information the bank gave him and he wanted to be sure of the rate he'd get on exchange, so he decided to transfer the Australian dollars to a third party. HSBC agreed to waive its usual transfer fee. Mr R says the third party couldn't keep Australian dollars indefinitely, so he had to exchange them sooner than he would've liked, as he wanted to avoid the trouble of transferring the money again.

Mr R says he received very poor service and inaccurate, inconsistent and misleading information, which caused him financial loss.

The adjudicator thought HSBC had dealt with Mr R's complaint fairly. He said HSBC's service could've been better and that it had made two mistakes; failing to tell Mr R that he needed to bring his tax identification number to the appointment to open the account and giving him incorrect information about the time it took for the cheque to clear. The adjudicator thought the bank had done enough to put right its errors. He didn't agree that the bank's mistakes caused Mr R financial loss.

Mr R didn't agree with the adjudicator's view. He said the crux of the matter was HSBC's lack of understanding of currency markets, its inability to give correct information about currency transactions and the general inconsistency of its rates. Mr R said he couldn't leave his money with a bank that didn't understand its own exchange rate margins. He says he had to transfer his money to the third party, as he couldn't trust HSBC.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

Based on what I've seen, I accept Mr R's recollections about what he was told about the exchange rates. He was given confusing information about the rates. I can understand his concern about that, as the cheque he deposited was for a substantial sum.

HSBC acknowledged it made an error in failing to tell Mr R to bring his tax identification number to the appointment to open the account. It couldn't be sure whether it gave Mr R incorrect information about the time it took the cheque to clear but offered him compensation as a gesture of goodwill.

I don't think the bank's errors caused Mr R loss. Where a bank is at fault, losses are generally recoverable where they are a direct result of an error by the bank and were a reasonably foreseeable consequence of the error. Any losses by Mr R's here arose because he decided to transfer the money to a third party and then exchange it. I don't think it's right or fair to hold the bank responsible for any loss Mr R's suffered because of his decisions.

I'm sorry to disappoint Mr R but I think the steps already taken by HSBC are fair.

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 R to accept or reject my decision before 13 February 2017.

Louise Povey
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