

The complaint

Mr C and Mrs C are unhappy that HSBC UK Bank Plc processed an overseas transfer out of accordance with their instructions.

What happened

Mr C and Mrs C visited a HSBC branch to transfer £300,000 from their HSBC account to a GBP account they held overseas.

Mr C and Mrs C noticed that the staff member inputting the transfer had selected that the transfer be made in the currency of the overseas country to which the transfer was being made, rather than in GBP as Mr C and Mrs C wanted. Mr C and Mrs C asked HSBC's staff member about this, and the staff member explained that the reference to the overseas currency was an internal matter, and that the money would be transferred as GBP.

Mr C and Mrs C signed the transfer form on the reassurance of HSBC's staff member. But when they checked their overseas account, they saw that HSBC had in fact converted the money into the overseas currency before transferring it, despite the reassurance given by the HSBC staff member that this wouldn't be the case.

Additionally, because the overseas account was a GBP account, the recipient overseas bank had then had to convert the received transfer amount back into GBP – meaning that the transferred amount went through two unnecessary currency exchanges and incurred exchange rate loss both times, which amounted to nearly £16,000. Mr C and Mrs C weren't happy about this, so they raised a complaint.

HSBC responded to Mr C and Mrs C but noted that the transfer form which had been signed by Mr C clearly showed that the transfer was to be undertaken in the overseas currency and so didn't feel that they'd done anything wrong. Mr C and Mrs C weren't satisfied with HSBC's response, so they referred their complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that HSBC could be said to have acted unfairly here, given the transfer form that Mr C had signed. Mr C and Mrs C remained dissatisfied, so the matter was escalated 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.

Mr C and Mrs C have explained that they raised the issue of the overseas currency being present on the transfer form with HSBC's branch staff before they signed the form, and that they only signed the form because HSBC's branch staff reassured them that the reference to the overseas currency was irrelevant and that the transfer would be processed in GBP.

HSBC see things differently. They note that the staff member which undertook the transfer was asked whether they recalled the transfer, and that the staff member said that they did

and that the fact that the transfer would be made in the overseas currency was clearly explained to Mr C and Mrs C, along with the exchange rate that would be used.

In circumstances like this, where the testimonies of the complainant party and the respondent business sit in contradiction to one another, I must decide which of the two versions of events I feel is most likely to have taken place – on balance, and in consideration of all the information and evidence presented to me.

In this instance, I find HSBC's position to be the more persuasive. This is because I feel that the transfer form, signed by Mr C, clearly shows that the transfer was to be undertaken in the overseas currency. Indeed, not only does the transfer form begin by stating that the transfer was to be undertaken in the overseas currency, but the section of the form immediately above Mr C's signature provides the currency exchange rate and the amount of the overseas currency that would be received by the recipient bank.

Given the clarity of the information present on the transfer form about how the transfer would be conducted, I don't feel that any HSBC staff member would have mistakenly believed that the transfer would be undertaken as a GBP-to-GBP transfer as Mr C and Mrs C have suggested. And I also don't feel that it was reasonable for Mr C and Mrs C to have believed any reassurances that they've explained that they received from the staff member, given that the fact that the transfer was to be undertaken in the overseas currency is clearly stated.

Ultimately, in consideration of all the evidence here, including the transfer form itself and the testimonies provided by Mr C and Mrs C and HSBC, I feel that what's most likely to have happened is that Mr C and Mrs C were made aware that the transfer would be undertaken in the overseas currency and that Mr C and Mrs C, for whatever reason, signed the transfer form in the understanding and acceptance that this would be the case.

I realise this won't be the outcome Mr C and Mrs C were wanting, but it follows from the above that I don't feel that HSBC have acted unfairly here as they contend, and because of this I won't be upholding their complaint. I hope that Mr C and Mrs C will understand, given what I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C and Mrs C to accept or reject my decision before 28 March 2024.

Paul Cooper
Ombudsman