

The complaint

Ms A complains HSBC UK Bank Plc didn't assist her in recovering an international payment. She says that as a result of its inaction, she has lost out financially and experienced significant distress and inconvenience.

What happened

Ms A made an international transfer for 93,200 AED on 13 September 2023. The payment was in relation to a property purchase. When the payment didn't arrive with the beneficiary, she contacted HSBC to understand the hold up.

The payment was still showing in 'processing' meaning it hadn't actually left the bank. Ms A said she was under time pressure to pay the company and she wanted the funds credited back to her account immediately. So, she could send the money through another bank.

HSBC said that they'd need to look into what had happened and would contact Ms A as soon as there was some news, but this could take up to three working days. When Ms A didn't hear anything, she contacted HSBC through a number of channels, increasingly upset and stressing she wanted the money returned to her account.

HSBC told Ms A that it was still investigating.

On 5 October, having borrowed money from family and friends Ms A sent the beneficiary the money through a second payment to try and secure the purchase. But later learned HSBC had also sent the original transfer around this time.

Ms A was extremely upset, as she believed the original payment would be returned to her. She raised a complaint to which HSBC responded. It said her payment instruction alongside others had been caught between HSBC's fraud and compliance teams due to an internal error. Once the problem had been identified, it decided to release all of the payments as soon as possible. Ideally, it would have cancelled Ms A's instruction, but this hadn't been possible. However, to say sorry and to reflect the distress and inconvenience caused, it had credited her account with £2,000.

HSBC also raised a recall for the return of the funds from the beneficiary bank, but this was unsuccessful. It said Ms A would need to contact the beneficiary direct to retrieve the additional payment.

Ms A wasn't satisfied with the response and how HSBC had handled things, so she referred her complaint to us. One of our investigators took a look into what happened but she thought the steps taken by HSBC to resolve the complaint were reasonable. She agreed it could have provided better customer service, but ultimately there was never any guarantee the payment could be cancelled or recalled. And it was Ms A's decision to make the second payment knowing she didn't have the first one back in her account. In conclusion, the investigator didn't think it appropriate to tell HSBC to reimburse Ms A, when she could be paid by the beneficiary at a later point.

Ms A didn't agree. She said the compensation wasn't adequate for the impact on her. The case was put forward for 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'm not upholding the complaint and I'll explain why.

HSBC's service was poor. It didn't send the payment in time and said it was investigating but it isn't clear what progress was being made. It also then sent the payment, after Ms A told it that she wanted her money crediting back to the account. But having said that, I consider the steps it took to resolve the complaint are fair. I say this because, it acknowledged the problem and paid a significant amount of compensation to recognise the distress and inconvenience caused, both in terms of the initial matter that had arisen and the fact that Ms A would now be inconvenienced in having to recover the funds from the beneficiary.

A relevant factor here is that the money isn't with HSBC – it's with someone else. In these circumstances, I'm not persuaded it would be equitable to order HSBC to reimburse the funds, when Ms A knows who that party is, and has a direct link with them (having already paid them).

The compensation paid (£2,000) sits in our substantial bracket. Weighing this up and the fact that the bank raised a recall of the payment (which is what I'd expect it to do), I consider the amount is fair. It recognises HSBC's actions had a substantial short-term impact on Ms A, with some ongoing effects in her having to recover her money. It follows, I won't be asking the bank to do anymore to resolve this complaint.

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 Ms A to accept or reject my decision before 11 March 2024.

Sarita Taylor
Ombudsman