

The complaint

Mr R is unhappy that HSBC UK Bank Plc, trading as first direct, have been unable to recover £3,000 that he mistakenly paid to an incorrect recipient, and with the service he's received from HSBC surrounding this.

What happened

Mr R mistakenly paid £3,000 from his HSBC account to the wrong recipient. Mr R called HSBC soon after making the payment and asked them to recover his money for him. HSBC explained that the payment had completed, and that the money had been sent to the receiving bank.

HSBC also explained that they would raise a request with the receiving bank for the return of the mistakenly sent money. But HSBC noted that because HSBC hadn't done anything wrong by processing the payment instruction that Mr R had supplied to them, that this would be on a best endeavours basis.

Mr R contacted HSBC on numerous occasions over the next several weeks chasing an update on the recovery of his money. But HSBC kept explained that they were themselves chasing the receiving bank for a response to their request and that there was little more that they could do. Eventually, frustrated by HSBC's lack of progress, Mr R raised a complaint.

HSBC responded to Mr R and explained that the receiving bank still hadn't provided any meaningful response to their request to return Mr R's money. And HSBC also explained that there was little more that they could do, because they were dependent upon the receiving bank responding to their enquiries. Mr R wasn't satisfied with HSBC's response, so he referred his complaint to this service.

One of our investigators looked at this complaint and liaised with Mr R and HSBC about it. During their review, HSBC acknowledged that when the return request had remained unresolved for four weeks, they should have sent Mr R a letter advising of the steps he could take himself to try to recover the money via legal channels. HSBC confirmed that they didn't do this, and they offered to pay £100 compensation to Mr R for any trouble or upset he may have incurred as a result.

Our investigator felt that HSBC's offer of £100 compensation for not updating Mr R as they should was a fair resolution to that aspect of his complaint.

But our investigator didn't feel that HSBC had acted unfairly in how they'd raised the return request with the receiving bank for Mr R, or in how they'd chased the receiving bank for a response when no meaningful response was received from them. Mr R 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.

I issued a provisional decision on this complaint on 3 July 2024 as follows:

I'd like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the factors and circumstances of a complaint into consideration.

I also note that Mr R has provided several detailed submissions to this service regarding his complaint. I'd like to thank Mr R for these submissions, and I hope he doesn't consider it a discourtesy that I won't be responding in similar detail here. Instead, I've focussed on what I consider to be the key aspects of this complaint, in line with this service's role as an informal dispute resolution service.

This means that if Mr R notes that I haven't addressed a specific point he's raised, it shouldn't be taken from this that I haven't considered that point – I can confirm that I've read and considered all the submissions provided by both Mr R and HSBC. Rather, it should be taken that I have considered that point but that I don't feel it necessary to address it directly in this letter to arrive at what I consider to be a fair resolution to this complaint.

I can appreciate how it must be disappointing for Mr R that HSBC haven't been able to recovery the money that he mistakenly sent to an incorrect recipient, especially as he contacted HSBC and notified them of his mistake not long after he'd made it.

But HSBC didn't do anything wrong by processing the payment instruction that Mr R mistakenly provided to them. And once the money had left HSBC and had been received by the receiving bank, then HSBC were dependent upon the receiving bank acting upon the return request that they submitted.

Our investigator contacted the receiving bank during their review of this complaint and asked them to provide as much information as possible as to what had happened with Mr R's money. And the receiving bank have confirmed that the unintended recipient removed the money from the account within hours of it being received.

Unfortunately, due to the speed with which the unintended recipient withdrew Mr R's money from their account, I'm satisfied that this means that recovery of Mr R's money via the return request process wouldn't have been possible. This is because of the number of steps that process takes, involving both HSBC and the recipient bank, and which means that it isn't reasonably possible that it could have been completed to the degree that the recipient would have been prevented from withdrawing the money from their account before they actually withdrew the money from their account.

It is of course unfortunate that HSBC couldn't recover Mr R's money. However, I am satisfied that HSBC did what they should have done to try to recover Mr R's money. This includes that they submitted a return request to the receiving bank in good order and that they chased the receiving bank for a meaningful response to that request on several occasions.

Ultimately though, once the payment had been sent, the return of the money was outside of HSBC's control, and they were dependent on the actions of the receiving bank and the recipient of the money themselves. Accordingly, I don't consider that HSBC have any responsibility or accountability for Mr R not yet recovering the money that he mistakenly sent to a wrong recipient.

I hope that Mr R can recover his money from the person that received it. And I note that the name and address of that person have been provided to Mr R by the receiving bank. However, this would now be a civil matter between Mr R and the recipient.

Finally, HSBC have acknowledged that they should have sent a letter to Mr R once the return request hadn't been resolved after four weeks, advising Mr R of the steps he could take to recover the money himself. HSBC apologised to Mr R for this and paid £100 compensation to him for not sending that letter.

This feels fair to me, especially given that HSBC's notes confirm that Mr R was aware when he asked HSBC to try to recover his money for him that if the attempt was unsuccessful that he would need to try to recover the money himself. Accordingly, I don't feel that any further action is fairly required from HSBC in this regard.

Both Mr R and HSBC responded to my provisional decision and didn't declare any objections to it. As such, I see no reason not to issue a final decision here whereby I do not uphold this complaint on the basis explained above. And I therefore confirm that my final decision is that I do not uphold this complaint accordingly.

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 R to accept or reject my decision before 1 August 2024.

Paul Cooper
Ombudsman