

The complaint

O has complained that HSBC UK Bank PLC (“HSBC UK”) failed to pay US\$5,000 into its Global Money Account, that had been sent to it from another HSBC UK Global Money Account.

What happened

An instruction to send US\$5,000 to O’s Global Money Account was made from another HSBC UK Global Money Account (not owned by O) on 6 August 2024.

As the money never arrived in O’s account, the sender contacted HSBC UK and asked for HSBC UK to look into matters. A trace was placed on the payment and it was eventually located with an overseas bank who HSBC UK had used as an intermediary bank due to the payment being made in USD. HSBC UK confirmed that the payment had not succeeded as the sender had entered incomplete information into the payment instruction, and said the name of the Payee should’ve been prefixed with ‘HSBC UK - ...’.

The payment was eventually returned to the sender on 16 October 2024. I understand the sender raised a complaint with HSBC UK for how it handled the payment instructions. And as O was without the money that it was expecting, it also complained to HSBC UK – which is the subject of this complaint. HSBC UK responded to this complaint on 23 August 2024 and said that it was still looking into matters for O and said that O could refer its complaint to this service.

After O referred its complaint to this service, HSBC UK said that the payment was unsuccessful as the sender had not provided the correct payment instructions. It said that as HSBC UK had not received the money (as it was sat with its intermediary bank) it has committed no error in not paying the money into O’s account.

One of our investigators assessed the complaint and they didn’t uphold the complaint. They concluded that, as the money was not received due to an error made by the sender, they were unable to say that HSBC UK were at fault for O not receiving the money.

O disagreed with the investigator’s assessment, so the matter was referred for an ombudsman’s 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 reviewed everything, I don’t uphold this complaint. I will explain why.

O has complained that it didn’t receive money that another customer of HSBC UK had sent to its Global Money Account. Looking into why the payment was not received, it seems that there was an issue with the payment instruction. This resulted in the payment sitting with an overseas intermediary bank, unable to be credited to O’s account, until it was eventually paid back into the sender’s account.

Although HSBC UK is the sending and receiving bank in this case, as O is complaining about not receiving the money into its account, I'm required to consider whether HSBC UK – acting as the receiving bank - has done anything wrong or treated O unfairly or unreasonably in this matter.

I recognise that the delay and subsequent failure of the transfer did have an impact on O. A director of O has explained that he eventually had to borrow money from elsewhere as he needed to send the funds on to an overseas client, and the delay in doing that had an impact on O's business. But at the same time, I can't reasonably say that HSBC UK as the receiving bank acted unfairly or unreasonably. I say this because HSBC UK could only be expected to credit O's account providing it received the money from the sending bank (or in this case the intermediary bank). But in this case the money never arrived with HSBC UK to be paid into O's account, because the intermediary bank couldn't process the payment due to the issues with the payment instruction. And in these circumstances, I can't say that HSBC UK was at fault for not paying the money into O's account.

I appreciate that the money sat for some time with the overseas intermediary bank, and this led to the sender not having access to the money for some time. But this complaint concerns O and HSBC UK acting as the receiving bank. The issue concerning the sender and the money not being sent to O as instructed and not being returned back to them either within a reasonable time frame i.e. HSBC acting as the sending bank, is a matter for the sender and HSBC UK to resolve - which I understand it eventually was.

So, taking everything into account, I do appreciate that O needed the money that was the subject of the transfer in question. But, for the above reasons, I can't reasonably say that HSBC UK acted unfairly or unreasonable towards O, in its capacity as a receiving bank.

My final decision

Because of the reasons given above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask O to accept or reject my decision before 28 March 2025.

Thomas White
Ombudsman