<u>Ombudsman Decision</u>
<u>CIFO Reference Number:</u> 25-00291
<u>Complainant:</u> Mr W
<u>Respondent:</u> HSBC Bank Plc, Jersey Branch

Complaint

Mr W's complaint about HSBC Bank Plc, Jersey Branch concerns issues with a number of payments he's instructed and the response he received to the complaints made.

Background

The complaint referred to CIFO covers six separate complaints he's made to HSBC. The following is a brief summary of these complaints and the bank's response:

- Complaint 1

  Mr W made a payment on 22 October 2004 that was initially held for fraud checks before it was released on 24 October. The payment was then rejected by the recipient bank on 14 November and the amount (less 75 USD in charges) was returned to his account. Following his complaint, HSBC offered 200 USD to cover charges, interest and any unnecessary distress and inconvenience.

[1] Financial Services Ombudsman (Jersey) Law 2014 Article 16(11) and Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014 Section 16(10)

- Complaint 2

  This appears to relate to the same payment as that in complaint 1. HSBC's response set out service failings in a call on 2 January 2025 and offered compensation of 300 USD. I understand Mr W accepted and has received this amount.

- Complaint 3

  Mr W spoke to HSBC after a payment attempted on 26 March 2025 was blocked. After he explained it was going to a family member, HSBC says the payment was validated and could be reattempted.

- Complaint 4

  Mr W made a payment on 12 May 2025 that was rejected by the recipient bank. When it was returned a lower amount was credited to his account due to changes in the exchange rate. HSBC said it had made no error and didn't uphold the complaint.

- Complaint 5

  Mr W spoke to HSBC on 1 June 2025 after a payment was blocked. HSBC says its agent then contacted its fraud team to remove the temporary block on the card.

- Complaint 6

  A payment Mr W attempted on 6 June 2025 was paused until he spoke to HSBC to confirm the money was going to an account in his own name with another bank. HSBC says its agent then released the payment.

After reviewing the evidence carefully, I didn't conclude the complaint should be upheld and I issued my provisional assessment. I explained the reasons for my findings as follows:

I think it's also relevant to explain that CIFO isn't the industry regulator and we don't set the rules for financial services providers or police the industry to make sure those rules are followed. We also don't have the power to fine or otherwise punish providers for their actions. This is the role of the regulator, the Jersey Financial Services Commission (JFSC). The primary aim of any award I make must instead be to return the consumer to the position they'd be in (or as close as possible) but for the inappropriate actions of the provider.

In addition, I note the executive summary you've provided refers to the rules and principles of the UK Financial Conduct Authority. But as you hold an account with the Jersey branch of HSBC, those rules and principles don't apply directly here as that branch isn't regulated in the UK.

Turning to the specifics of your complaints, it appears the underlying issue in most of these – certainly in complaints 1, 2, 3, 5 and 6 – is that HSBC paused or declined payments for fraud checks. Under the rules set out by JFSC, in addition to its responsibility to act on its customers' instructions, HSBC is required to have systems in place to 'guard against involvement in financial crime'. This would include taking measures to help protect a customer's money if it suspects they may be falling victim to a scam for example.

While I appreciate the events you've outlined may have caused some inconvenience, in view of the requirements on HSBC, I don't think it's appropriate for me to question its decision to pause or decline the payments involved until it was satisfied they were legitimate transactions. I'm satisfied these actions were taken in connection with its regulatory responsibilities and It's ultimately for HSBC to decide which payments require further investigation. But I'd typically expect any payment involving a fairly significant sum to be more likely to fall into that category.

Taking everything into account, I don't think it was unreasonable for HSBC to pause or decline these payments subject to obtaining further information. And once it had satisfied itself they were legitimate *transactions, it appears the payments were either released or you were able to reattempt them. So it's not clear to me that HSBC acted inappropriately in this regard.*

Complaints 1 and 4 also relate to payments HSBC says were rejected by the recipient bank and it doesn't appear that it made an error or was otherwise responsible for this. I can see the amount credited back to your account after the payment in complaint 4 was returned was lower, but this was due to exchange rate changes and I don't think it's reasonable for me to hold HSBC responsible for this loss if it didn't make an error.

The amount returned to you in connection with the payment in complaint 1 was also lower by 75 USD and this was due to charges. While it's not clear that HSBC made an error here either, it has offered compensation that included a refund of the charges to address that loss along with interest to cover the period you didn't have access to this money.

The above notwithstanding, HSBC has accepted the service it provided did at times fall short of the standard you were entitled to expect, particularly in connection the payment covered by complaints 1 and 2. I fully accept any failing of this nature would have caused you some unnecessary distress and inconvenience and that you should be compensated for that.

The amount to award for distress and inconvenience can be difficult to assess as the same circumstances can impact different consumers in different ways. But in the circumstances of this complaint, I think an amount totalling over 400 USD (in addition to the refund of charges and interest in complaint 1) is a broadly fair response to the issues raised across your various complaints and is in line with the type of award we typically make. I appreciate you appear to have been seeking a much larger payment but I previously explained why I didn't think that level of award is appropriate and you've provided no further submissions to counter my view on that.

On balance, it's my present view that the total compensation of 500 USD HSBC has already offered would represent a fair and reasonable settlement to this complaint and I don't currently propose to award anything further. I understand you've already received 300 USD of this so that means a further 200 USD would be payable if you now decide to accept that offer.

Mr W didn't accept my assessment and responded as follows:

Let me clarify my position: this complaint has never been about money. The monetary amounts offered as compensation are, to be frank, inconsequential to me—I earn such figures in minutes.

What I find unacceptable, and what I ask CIFO to reflect in its final decision, is the complete absence of accountability and respect shown by HSBC throughout these repeated failures.

For example:

- *When I raised concerns about substantial missing funds, I was informed by a representative in the complaints center in HSBC Jersey' via a call centre in the Philippines that "if he has an issue, tell him to go to the ombudsman." This is a clear attempt to abdicate responsibility and, in my view, a grossly unprofessional response from a regulated financial institution. The very fact that the CIFC has not jump on this also is astonishing!*

- *The issue with the Global Currency Card remains unresolved, with HSBC representatives advising me not to expect it to function reliably and offering no solution. Again astonishing that this has not been addressed by yourselves!*

This is just part of a long and well-documented series of dismissive, negligent, and customer hostile interactions. At no point has HSBC acknowledged the pattern of failure nor offered any meaningful apology. I do not believe that reducing this matter to a transactional offer of USD 200 is adequate or appropriate.

While I understand the limitations of CIFO's remit, I respectfully request that the final decision recognises the following:

- *That HSBC's conduct has gone beyond isolated errors and constitutes a systemic failure in basic customer service.*
- *That the bank's own staff have refused to investigate complaints, instead deflecting responsibility in a manner that breaches expected standards.*
- *That a formal apology and acknowledgement from senior HSBC management would be a more appropriate resolution than nominal compensation.*

I've reviewed the complaint in light of these comments.

My Findings

I've carefully considered all the available evidence and arguments to decide what is, in my opinion, fair and reasonable in the individual circumstances of this complaint. In considering what's fair and reasonable, I've had regard to the relevant law and regulations; any regulator's rules, guidance and standards, codes of practice, and what I consider was good industry practice at the time.

In setting out my decision, I haven't necessarily mentioned or addressed every point raised by the parties. Instead, I've concentrated on the key issues that I think are central to the outcome of the complaint. This is in keeping with our established purpose to act as an informal alternative to the courts.

Where necessary or appropriate, I've reached my conclusions on the balance of probabilities; that is, what I consider is most likely to have happened, in light of the available evidence and the wider surrounding circumstances.

As I outlined previously, it's important to understand that CIFO isn't a regulator. The activities of HSBC in Jersey are instead regulated by the Jersey Financial Service Commission (JFSC). That means it sets the rules for financial services providers and takes steps to ensure those rules are followed. It also has the power to fine or otherwise punish providers for their actions. That isn't something I'm able to do. Instead, the principal aim of any award I make here is to ensure any financial loss experienced by Mr W as a result of the bank's errors has been addressed and that he's appropriately compensated for the impact of any unnecessary distress or inconvenience caused.

It's with this in mind that I hope Mr W will understand that I'm not in a position to address more generic concerns about systemic failures by the bank or its complaints handling processes. In respect of the various complaints covered by this dispute, I'm satisfied HSBC did acknowledge and respond to the concerns he raised. I recognise the bank's response was less than ideal at times and that's why I agree compensation is due for any unnecessary distress and inconvenience caused.

As I explained previously, the amount of compensation to award can be difficult to assess. But in the circumstances of this case, I believe compensation totalling more than 400 USD is fair and reasonable and consistent with what we typically award in cases of this nature. Of this amount, 200 USD remains outstanding if Mr W wishes to accept it.

I note Mr W has referred to ongoing issues with his Global Currency Card. Any more recent or ongoing issues aren't a part of the complaints referred to us, which are listed above and which I summarised and asked him to confirm before issuing my assessment. If Mr W is experiencing further problems, the correct process is to raise a new complaint with HSBC in the first instance. He should then be entitled to refer that to us as a separate complaint if he's dissatisfied with the outcome.

I appreciate this outcome will come as a disappointment to Mr W, but I'm satisfied it's fair and reasonable in the circumstances.

My Final Decision

My final decision is that, subject to Mr W's acceptance, HSBC Bank Plc, Jersey Branch should now pay the remaining 200 USD of the compensation it offered previously.

Jim Biles
Ombudsman

Date: 13 January 2026