Ombudsman Decision
CIFO Reference Number: 25-000361
Complainant: Mr S
Respondent: HSBC Bank Plc, Jersey Branch (HSBC)

Complaint

The complainant, who I will refer to as Mr S, complained that HSBC Bank Plc, Jersey Branch (HSBC Jersey) failed to give him clear information on the charges that they took from his investment between 2018 and 2025. Mr S asked for compensation for distress and inconvenience in obtaining this information.

Background

In May 2018, Mr S bought an investment in a single fund within his HSBC Jersey investment account. The fund is represented in the UK by HSBC Global Asset Management (UK) Ltd[2] (HSBC Asset Management), which is a separate entity to HSBC Jersey. HSBC Asset Management is regulated by the UK regulator, the Financial Conduct Authority (FCA).[3]

Mr S contacted HSBC Jersey in May 2025 to request a breakdown of the charges and commissions on his investment. HSBC Jersey replied, confirming that there is a one-off entry fee for the initial investment amount and a 1.47% Ongoing Charges Figure (OCF) for the fund investment. HSBC Jersey said that they could not give exact monetary figures for the charges by the fund manager, as they are included in the fund price.

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[1] Financial Services Ombudsman (Jersey) Law 2014 Article 16(11) and Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014 Section 16(10)
[2] HSBC Asset Management works with a legally appointed management company, HSBC Investment Funds (Luxembourg) S.A.
[3] The FCA can be contacted on +44 207 066 1000 or using the contact form on their website.

The OCF includes the regular fund management fee of 1.2% as well as a remaining figure of 0.27% to cover fund expenses such as transaction fees and other non-recurring operating expenses.

HSBC Jersey confirmed the same information again in their final response to Mr S after he raised a complaint that their responses did not give him the information that he was looking for, where he wanted exact monetary amounts for charges and commission. HSBC Jersey did not uphold Mr S's complaint as they considered that they had already responded to him with the information that they were required to provide. Mr S then raised his complaint with CIFO.

The CIFO adjudicator reviewed the information that HSBC Jersey gave to Mr S. CIFO is not a regulator and is therefore not in a position to determine whether the information provided by HSBC Jersey would meet regulatory requirements for disclosure to customers.

HSBC Jersey had responded to Mr S with information about their charges, but they included percentages and did not include monetary amounts. CIFO asked HSBC Jersey to provide information on the estimated charges (as monetary amounts) that applied to the investment in the fund, calculated using the OCF and monthly fund values. This information was provided by HSBC Jersey to Mr S following CIFO's request.

The CIFO adjudicator wrote to Mr S and explained why he considered that it was not possible for HSBC Jersey to give exact charge amounts within his individual fund investment. This is because fund charges (that make up the 1.47% OCF) are applied by the fund manager at the overall fund level and are not allocated to individual investors. These charges form part of the fund value.

If there are any issues with disclosure of fund information by HSBC Asset Management then that would be a matter to take up separately with them, and with the FCA in the UK if necessary.

Based on this the adjudicator concluded that HSBC Jersey had provided a reasonable response to Mr S, though they could have given the extra information on estimated fund level charges. The CIFO adjudicator considered that no compensation was payable by HSBC Jersey to Mr S.

Subsequent Submissions

Mr S requested a final decision. He said that HSBC Jersey should be more open and transparent about their charges and they should provide exact figures for the charges on his investment.

Findings

I have considered available evidence and arguments to decide what is, in my opinion, fair and reasonable in the individual circumstances of this complaint. Where necessary or appropriate, I reach my conclusions on the balance of probabilities; that is, what I consider is most likely to have happened in light of the evidence that is available and the wider surrounding circumstances.

I have considered whether the information provided by HSBC Jersey to Mr S was sufficient when handling Mr S's earlier request. As noted above, CIFO is not a regulator so I can't comment on whether HSBC Jersey's response meets regulatory requirements or expectations for disclosure of this information. That aspect would be a matter for the Jersey Financial Services Commission.[4]

It is important to note that HSBC Jersey is not responsible for the fund level charges on the investments selected by their customers, though they will apply their own charges within the investment accounts. In this case HSBC Jersey has said that they applied a 1% entry fee when the investment was purchased in 2018, amounting to USD 993.75 and otherwise there have been no direct charges by HSBC Jersey within the investment account. HSBC Jersey has also disclosed commission that they received in respect of the fund.

Mr S has held a single investment in the HSBC World Selection 4 Fund during this time with no subsequent purchase or sale of units. The fund has an OCF of 1.47% which includes the 1.2% management fee and 0.27% for other fund expenses. The fund manager is a separate entity to HSBC Jersey and will apply charges at the overall fund level, not at the individual investor level. The charges are reflected in the fund price. While HSBC Asset Management is part of the same group as HSBC Jersey, Mr S could refer to HSBC Asset Management separately for

[4] The Jersey Financial Services Commission can be reached on +44 1534 822 000 or using the contact form on their website.

further information on charges that they have applied to him as an investor in the fund. If they have failed to disclose the correct information then it would be possible to refer to the FCA.

I therefore consider that HSBC Jersey is not required to provide a customer with the exact monetary amount for charges that a fund has applied to an individual investor, as this information is not available to them. During investigation of the complaint, CIFO asked HSBC Jersey to provide estimates of the charges that applied to Mr S's investment, based on the OCF and the investment values, which HSBC Jersey provided. HSBC Jersey also provided information on the commission that they receive in respect of the fund, which already forms part of the OCF and is not an extra amount that Mr S pays.

I have then considered further whether HSBC Jersey should have given this extra information to Mr S without being prompted to do so, or whether they could have given this extra information.

While I consider that HSBC Jersey could have been more helpful in giving Mr S the estimated monetary amounts for the charges applied within the fund at an earlier stage including a breakdown of the OCF to show the 1.2% management fee separately, I do not believe this means that they have failed to carry out their duties to keep customers informed. Therefore, I do not consider that any financial award is appropriate as they have provided responses with basic information on direct charges by HSBC Jersey within Mr S's investment account, though they could have included extra information and estimated figures to address Mr S's enquiry more effectively.

Final Decision

For the reasons I have explained, my Final Decision is that I do not uphold this complaint.

Douglas Melville
Principal Ombudsman and Chief Executive

Date: 24 November 2025