Ombudsman Decision
CIFO Reference Number: 25-000404
Complainant: Mr and Mrs R
Respondent: HSBC Bank Plc, Jersey Branch

Complaint

The complainants, who I'll refer to as Mr and Mrs R, are complaining about HSBC Bank Plc, Jersey Branch following the discovery that a charge was regularly being deducted from Mr R's monthly salary.

Background

Mr and Mrs R have a joint account with HSBC Jersey. Mr R receives salary payments in US Dollars based on international transfers from his overseas employer to this account each month. Between May 2022 and July 2025 each of these monthly payments had a US$25 charge deducted before it reached Mr and Mrs R's account.

Mr R checked with his employer and it confirmed no charges were being deducted at its end. HSBC Jersey also confirmed it hadn't been deducting the charge and said this was instead applied by a correspondent bank.

Mr R didn't think HSBC Jersey had provided a satisfactory response to his queries about the charge and believed it should reimburse him for the money taken. He was also seeking an explanation for why the charge had started in 2022 and stopped again in July 2025.

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

Our adjudicator didn't recommend the complaint be upheld. He was satisfied the transaction fees were deducted by the correspondent bank, HSBC USA, as a charge for passing Mr R's salary payments from his employer's account to HSBC Jersey. He explained that when a correspondent bank is used to pass on a payment, which is often necessary for international payments, it often charges a fee for this service.

Mr and Mrs R didn't accept the adjudicator's assessment. Their position is that their account details and the payment routing have never changed and despite this there was a deduction of $25 for each salary payment starting in 2022 and ending in July 2025 without explanation. They believe this indicates there was an error at HSBC's end that was later corrected internally. As HSBC Jersey is part of the same banking group, they believe it should be engaging with HSBC USA to determine the cause of this error and arrange for reimbursement of the amounts taken.

The complaint has now been passed to me for review.

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.

I'm satisfied HSBC Jersey didn't apply this charge to the payments received into Mr and Mrs R's account. The transaction records provided show the monthly payments started from Mr R's employer's account and went via HSBC USA (as a correspondent bank) before going to the destination account at HSBC Jersey. I can see the $25 charge was deducted by HSBC USA. As the adjudicator explained, correspondent banks are often used to facilitate international payments and it's common for them to charge a fee for this service.

CIFO is only able to consider complaints about the actions of financial services providers based in the Channel Islands. It follows that I can't assess any complaint about the actions of HSBC USA, including charges it applies as a correspondent bank. HSBC USA answers to its own regulator in that country and I can't hold HSBC Jersey responsible for the actions of its US counterpart, even though it's part of the same banking group.

Mr and Mrs R's desire to understand why the charge started and ended when it did is understandable, but HSBC Jersey has confirmed it's been unable to ascertain the reason for this. I appreciate they may not find this response satisfactory but I don't consider that this issue affects the outcome of this complaint. The evidence shows the charge was applied by HSBC USA and HSBC Jersey isn't responsible for that.

My Final Decision

My final decision is that I do not uphold this complaint.

Jim Biles
Ombudsman

Date: 30 January 2026