Ombudsman Decision
CIFO Reference Number: 25-000451
Complainant: Mr P
Respondent: HSBC Bank Plc, Jerse Branch (HSBC)

Complaint

The complainant, who I will refer to as Mr P, complained that HSBC Bank Plc, Jersey Branch (HSBC) wrongly converted the proceeds from his USD fixed term deposit (FTD) to GBP and that he did not instruct this. Mr P says that he has lost money because of the currency conversion. He also said that HSBC failed to provide any services, follow up or suggestion after he raised the issue with them, in particular failing to give him evidence that the maturity instruction was valid.

Background

Mr P has several bank accounts with HSBC Jersey and regularly places FTDs via HSBC's online system in different currencies. Mr P said that he will normally instruct HSBC to mature his FTDs to the same currency, so that he does not have any currency conversion cost.

On 5 March 2025 Mr P placed a FTD with HSBC for USD 440,606.27 to mature on 5 September 2025, with maturity proceeds of USD 449,118.78. On his return to the UK on 13 September 2025, Mr P discovered that the FTD had matured to his GBP account, which he did not expect. This resulted in an unexpected currency conversion, with proceeds of £325,899.67 being credited to his GBP account.

Mr P phoned HSBC on 13 September 2025 to find out why this happened. HSBC responded by saying that they acted correctly on his instruction, which was

---

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

placed via the online system. HSBC said that they would investigate his concerns and give him evidence of the instruction. Mr P asked for screenshots from their internal systems that would prove whether HSBC acted correctly. HSBC later responded by saying that they could not share the screenshots, but they continued to confirm that they had acted on a valid instruction from Mr P.

HSBC offered Mr P £250 for inconvenience that they caused because they could not give Mr P evidence of the maturity instruction, after their initial indication that they could share screenshots from their internal systems, but they rejected Mr P's complaint about the FTD instruction. The complaint was then raised with CIFO.

As part of the investigation of Mr P's complaint, CIFO obtained evidence of the instruction from HSBC, including an extract of the log from their online system and a screenshot from their internal banking system that shows the maturity instructions for the FTD. HSBC asked that the screenshot and log extract from their internal systems not be shared onwards for security reasons, which was the reason that they were unable to share this information directly with Mr P during September.

According to the online system log that HSBC provided to CIFO, an update to the FTD instruction was submitted to HSBC via their online system on 6 August 2025 at 1.04am. This instruction specified the GBP account for maturity of the FTD and instructed HSBC not to automatically roll the FTD over. Mr P confirmed via email to CIFO that he was logged in at 1am on 6 August 2025, at the time of the instruction. HSBC had previously confirmed that instructions from the online system are processed without any human intervention.

On the balance of probabilities, the adjudicator considered that, based on the evidence given by HSBC, that HSBC acted on a valid instruction (even though the GBP account may have been selected in error by Mr P when amending the original maturity instruction on 6 August 2025).

The adjudicator then looked at whether HSBC had caused any unreasonable delay or obstruction in conversion of the GBP proceeds back to USD. The adjudicator reviewed the call recordings made available by HSBC and noted that Mr P had been invited by HSBC to convert the proceeds back to USD on 13 September, which Mr P declined to do. Mr P then decided not to proceed with an instruction to convert the proceeds back to USD during the call with an HSBC transaction specialist on 18 September when he found out that the rate was no longer favourable to him and wouldn't result in a currency gain. Mr P's relationship manager also suggested that Mr P may wish to convert the GBP proceeds back to USD during his call on 26 September. The adjudicator highlighted to Mr P at an early stage of the investigation that Mr P may wish to convert back to USD if he wanted to limit his currency exposure. HSBC has also confirmed that there is no advisory agreement that would form a basis for them to formally advise Mr P to convert the proceeds back to USD.

In consideration of the above, the adjudicator said that Mr P did not suffer any unreasonable hindrance in converting the GBP proceeds back to USD.

This then left the adjudicator to consider whether HSBC had caused any distress or inconvenience to Mr P. HSBC had initially confused the instruction from 6 August as having taken place on 8 June (08/06 instead of 06/08) when communicating with Mr P about his FTD, which did not help Mr P to satisfy himself that there was a valid instruction. HSBC was unable to provide Mr P with evidence of his instruction based on screenshots from their internal systems and did not adequately set Mr P's expectations in respect of this. With this in mind, HSBC agreed to offer a slightly higher amount of £350 to cover the distress and inconvenience caused to Mr P because of these issues. The adjudicator considered that the other aspects of Mr P's complaint should not be upheld.

Subsequent Submissions

Mr P requested a final decision and did not accept the adjudicator's recommendation. Despite Mr P's statement that he placed a number of FTDs using the mobile application in the past, Mr P suggested that an issue with the HSBC system interface design may have contributed towards his potential accidental instruction. Mr P did not have any specific evidence in relation to this.

Mr P also considered that he has intentionally left the GBP funds untouched to maintain a "clean, unaltered trail of the FTD conversion at maturity". Mr P highlighted some of the issues noted above where HSBC initially gave a wrong date for the instruction and that their compensation offer indicates responsibility by HSBC. He also highlighted delays by HSBC in advising him that he can convert his funds back to USD, between 13 and 18 September.

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 will consider three principal issues in respect of the complaint:

1. Whether the instruction to mature the FTD to a GBP account was submitted by Mr P or whether HSBC has converted his FTD proceeds to GBP incorrectly. Additionally, whether there are any potential issues with the user interface design that caused Mr P to select the wrong maturity account.
2. Whether HSBC has caused a loss to Mr P due to failure to convert the GBP proceeds back to USD, noting that Mr P still held the proceeds in GBP at the time of his complaint.
3. Any potential distress and inconvenience due to HSBC's handling of Mr P's enquiries and his complaint following maturity of the FTD.

Firstly, I will consider whether HSBC has acted on a valid instruction from Mr P. It is standard practice for a retail bank to automatically process instructions that come from their online systems. It is also normal for banks to encourage customers to use the bank's online systems as this reduces the time to process each instruction and limits the opportunity for mistakes arising from possible miscommunication between the customer and the bank staff inputting the instructions into the systems. As HSBC has said that there would be no manual intervention for the online instruction, it is reasonable to accept this statement at face value. I also note that if HSBC processed an online instruction wrongly, then it is likely that they would have many complaints like Mr P's, which I would have seen.

CIFO has obtained evidence of the online instruction based on an extract of HSBC's system log for Mr P's online account. This extract gives an audit trail of the processing activities on their system. The log shows that the amended instruction was submitted under Mr Ps account at 1.04am on 6 August 2025. This also ties in with the time Mr P was logged onto the system, where he said that he had accessed the system around 1am on 6 August 2025 when looking into the rollover of a different FTD. This was outside UK business hours, also supporting the statement by the bank that there would not have been manual intervention for the instruction. It is possible that Mr P amended the maturity instruction at this time without intending to.

I conclude that, on the balance of probabilities, Mr P submitted the instruction via HSBC's online system on 6 August 2025. HSBC provided CIFO with some general screens that are used in their online system to instruct the maturity of FTDs. The screen has an input box to select the maturity instruction and a separate box to select the account to credit. The system also mentions the following:

"If your maturity instruction involves more than one currency account, an exchange rate will be applied to the transfer on the day of maturity. It may be beneficial for you to select a maturity account of the same currency and complete the exchange using either our FX App, Online or Telephone Banking on the day of maturity."

Based on the above information, I do not see any inherent systemic or design issue with the HSBC system that would create confusion in selecting the desired maturity instruction.

I will now consider whether HSBC has caused any loss to Mr P due to failure by them to convert the GBP proceeds back to USD, or their failure to respond to Mr P's queries in relation to this. I must highlight that it is often reasonable for a complainant to take steps to mitigate or limit any losses that they incur, where it is appropriate for them to do so. Mr P said that he has kept the proceeds in GBP to maintain a "clean, unaltered trail of the FTD conversion at maturity". CIFO has reviewed the phone calls and correspondence between Mr P and HSBC to assess this aspect of Mr P's complaint.

During the call on 13 September, HSBC suggested to Mr P that "since you have access to online banking it is much better if you can do a conversion using online banking as it gives much better rates than over the phone". Mr P decided not to do this as he did not want HSBC to benefit twice from the currency conversion margin. Mr P chose not to convert to USD on 18 September because the exchange rate resulted in a loss when compared to the original proceeds from the FTD. Mr

P’s relationship manager also discussed the possibility of conversion back to USD during a separate call on 26 September.

Mr P did not need to wait for the outcome of HSBC’s investigation about the original FTD instruction to complete his conversion back to USD. A clean unaltered audit trail would have been available in any case. I do not consider that HSBC has acted unreasonably or has blocked any attempt by Mr P to convert the proceeds back to USD. I also note that Mr P had expressed an interest in converting back to USD when the exchange rates were briefly in his favour. While Mr P can keep the proceeds in GBP for as long as he wishes, I do not believe HSBC should be responsible for Mr P’s decision not to convert the proceeds back to USD at an earlier stage. It would have been for Mr P to take action to limit his currency losses if he wished to do so.

Finally, I will consider whether HSBC caused any distress or inconvenience to Mr P when handling his enquiries from 13 September onwards. Two minor servicing issues have been identified in this context. HSBC initially confused the instruction from 6 August as having taken place on 8 June when communicating with Mr P about his FTD, which did not help Mr P to verify that HSBC had acted on a valid instruction. HSBC were also unable to give Mr P evidence of his instructions based on screenshots from their internal systems and did not adequately manage Mr P’s expectations in respect of this.

HSBC has previously offered Mr P £250 for the inconvenience caused by their failure to provide screenshots from their internal systems. I have also mentioned the issue with their confusion of the date of the maturity instruction where they said 8 June instead of 6 August. With these aspects in mind, and considering the minor nature of the above issues, I consider that the existing offer of £250 by HSBC is fair and reasonable in respect of the issues arising in this complaint.

Final Decision

For the reasons I have explained, my Final Decision is that I uphold this complaint in part, with an award of £250 to be paid by HSBC for the issue mentioned above. I do not uphold the other aspects of Mr P’s complaint.

Douglas Melville
Principal Ombudsman and Chief Executive

Date: 26 January 2026