

The complaint

Mrs B complains that TransferWise Ltd (TransferWise) incorrectly sent her currency payment back to the account from where it was sent.

What happened

Mrs B made arrangements with TransferWise to send Euro's from her Spanish bank account to her GBP bank account. Mrs B realised that TransferWise had in fact sent the payment back to her Spanish Euro account after converting the funds into sterling which created an exchange rate loss.

Mrs B says in view of the error made by TransferWise they should refund her the amount she has lost.

TransferWise says Mrs B set up the account details of her GBP bank account incorrectly and instead of inputting her GBP bank account details she used her Spanish bank IBAN (International Bank Account Number) in error. TransferWise says while they are sympathetic to Mrs B, they were not at fault at any point of the transfer process, although as a gesture of goodwill have given her GBP49.50 worth of fee credits.

Mrs B wasn't happy with TransferWise's response and referred the matter to this service.

The investigator looked at all the information available but didn't uphold the complaint. The investigator says from the information seen Mrs B incorrectly set up the bank account details herself and TransferWise can't be held responsible for that.

Mrs B wasn't happy with the investigator's view and asked for the matter to be referred to an ombudsman for a final 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 done so, I have come to the same outcome as the investigator and I will explain how I have come to my decision.

What I've considered here, when looking at this complaint, is whether TransferWise were responsible for the error with the transfer from Mrs B's Euro bank account to her GBP bank account.

I can understand it would be upsetting for Mrs B to see the transfer she thought she had made to her GBP account returned to her Spanish Euro bank account showing an exchange rate loss. What happened here was Mrs B used TransferWise service to arrange a transfer from her Spanish Euro bank account to her GBP bank account.

Mrs B believes that TransferWise are at fault here because the GBP bank account she was sending the payment to was designated as that, and it should be clear that's where she

wanted the payment sent.

I have considered this point made by Mrs B and have looked at various screen shots and documents provided by TransferWise to establish what happened here. I can see that Mrs B, although she may not recall this, set up her GBP bank details a short time before initiating the payment request.

Unfortunately, from what I have seen, Mrs B input her Spanish Euro bank account IBAN rather than her GBP bank account details, this is something only she could have done, and evidence has been provided by TransferWise to show this was the case. Following from this, Mrs B saved these payee details and then shortly after used these same details to send the payment. As Mrs B had requested the payment to be sent in GBP this meant it was converted from Euro's to GBP and as the recipient bank account was held in Euro's it was converted back to that currency, which resulted in the exchange rate loss incurred by Mrs B.

While Mrs B believes that TransferWise should have known she wouldn't want to send the payment to and from the same account, I am satisfied that they can only carry out the instructions they were given here. Under the terms of the agreement with TransferWise it says:

"You must ensure the information you provide to us is correct. You must make sure that the information you provide when setting up a payment order is accurate. If we have processed your order in accordance with the information you have provided to us it will be considered correctly completed even if you have made a mistake"

While it seems Mrs B made a genuine error here when inputting the incorrect account details, I can't see that I can hold TransferWise responsible for this mistake. TransferWise have given Mrs B, as a gesture of goodwill, GBP49.50 worth of fees credits although they had no obligation to do so and I feel this is fair and reasonable given they have made no errors here.

While Mrs B will be disappointed with my decision, it follows, I won't be asking anymore of TransferWise.

My final decision

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

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs B to accept or reject my decision before 16 December 2020.

Barry White
Ombudsman