

The complaint

Mr P complains about how TransferWise Ltd deal with his money transfer.

Mr P is represented by his friend in bringing this complaint. But for clarity – I'll refer to all submissions as being made by him directly.

What happened

The background to this complaint and my initial conclusions were set out in my provisional decision dated 8 February 2021 – a copy of which is set out here. In my provisional decision I explained why I didn't intend to uphold Mr P's complaint and why I didn't think TransferWise had made an error in dealing with his money transfer. I said:

"What happened

Mr P was purchasing a property abroad. He said he initially transferred funds to his TransferWise Sterling account from an account he held with a bank I'll call "B" in this decision. And, after Mr P's payment from B had credited his TransferWise Sterling account, he intended to transfer £219000 to his TransferWise Euro account.

On 1 July 2019, Mr P set up an online instruction to transfer his funds from his TransferWise Sterling account to his Euro account. But the following day his funds hadn't credited his Euro account. So, Mr P contacted TransferWise by telephone to discuss his transfer.

TransferWise said it gave Mr P guidance as to how he could fund the payment instruction he'd created online the previous day. But it said it didn't check whether he'd correctly set up the transfer authority.

Mr P said he followed the guidance he was given over the telephone and expected his funds to credit his Euro account. But his funds were sent to a different bank where they were converted to Euro. And, instead of those funds crediting his TransferWise Euro account, they were transferred back to B, which then converted the money back into Sterling. This led to only £216757.01 being returned to Mr P's account with B.

Mr P complained about what happened to TransferWise. He said he'd followed advice provided by it in making his transfer. And, as he hadn't given an instruction for his funds to be transferred back to B, he felt TransferWise must have had made an error in how it had processed his payment request. Mr P explained he'd lost over 3000 Euro as a result of his funds being returned to B. He wanted TransferWise to accept responsibility for what had taken place and reimburse him for the loss he'd incurred.

TransferWise investigated Mr P's complaint but didn't uphold it. It said he'd set up the online transfer from his TransferWise Sterling account. And it told him that, instead of entering the account information of his TransferWise Euro account, he'd entered the details of his account with B. It said it had only given guidance on how he could fund the transfer

instruction he'd already set up the previous day. So, it felt he was responsible for his funds being returned to B.

Being dissatisfied with TransferWise's response to his complaint Mr P referred it to our service. After our investigator assessed the evidence Mr P and TransferWise had provided they recommended partially upholding this complaint. They felt Mr P was partly responsible for his funds being returned to B. But they also thought TransferWise ought to have offered more assistance to Mr P. And, in order to resolve this complaint, they recommended it reimburse him for half the loss he'd incurred when his funds were converted from Euro to Sterling. But TransferWise didn't agree with our investigator's recommendation. So, I've been asked to decide this complaint.

What I've provisionally 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'm departing from what our investigator has said. I'll explain why.

Where the information I've got is incomplete, unclear or contradictory, as some of it is here, I must base my decision on the balance of probabilities. I've read and considered all the information provided by Mr P and TransferWise, but I'll concentrate my decision on what I think is relevant to decide the complaint. If I don't comment on any specific point it's not because I've failed to take it on board and think about it, but because I don't think I need to comment on it in order to reach what I think is the right outcome.

I'm sorry to hear about the difficulties Mr P experienced here and I can see how strongly he feels about his complaint. It's clear what happened caused distress and inconvenience to both Mr P and his wife. I recognise that the transfer in question was particularly important and time sensitive as the funds were required for a property purchase abroad. But, while I have sympathy for Mr P, my role is to assess whether I think TransferWise made a mistake, or treated him unfairly, such that it needs to now put things right.

I accept the evidence put forward by Mr P that it was his intention to transfer the funds that had credited his TransferWise Sterling account from B to his Euro account. It wouldn't have made sense for him to transfer those funds back to B. So, it's clear an error led to that happening. In determining whether Mr P or TransferWise were responsible for that error I've carefully considered what both say about how the transfer in question was set up.

The terms of Mr P's account with TransferWise clearly outline that a customer must ensure that financial information is correctly provided. They explain:

"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."

TransferWise has shared screenshots of the steps Mr P would have taken when setting up his transfer. I'm satisfied these screenshots show what Mr P would have seen before he authorised a transfer of his funds from his TransferWise Sterling account.

Based on the evidence I've seen, I'm persuaded that when Mr P set up his online transfer he set it up to credit his account with B in error instead of setting it up to transfer to his Euro account as he wanted. I say this because when he set up his transfer, while he added a new recipient, he entered the IBAN number for his account with B. So, the payment was set up to be sent to B.

I'm satisfied that Mr P would have seen the receiving account details before authorising the transfer. TransferWise told our service that he would also have been presented with a payment review page, which would have asked him to carefully check the payment account details were correct. It said, before finalising his transfer instruction, Mr P would have seen a message on its website asking him to "please make sure this is a EUR bank account".

I think that was a further prompt for Mr P to check he was transferring his funds to the correct account. And, based on the evidence I've seen, I'm satisfied he would have had a number of opportunities before proceeding with his transfer request to notice that it was set up to be sent to his account with B and not his intended Euro account.

I've listened to the call recordings TransferWise provided our service. In one call I can hear a TransferWise representative discussing Mr P's transfer with him. It's clear from this recording that Mr P had already set up the online transfer instruction with TransferWise. As I've explained, this was done without any input from TransferWise.

When Mr P discussed his transfer with TransferWise it was unfunded. The representative he spoke with provided him with clear guidance as to the "pay-in options" available – in other words how he could fund the payment instruction he'd already created online. The representative didn't give advice regarding how Mr P should set up the payment instruction. And he didn't ask the representative to check that he'd set up the transfer instruction correctly. No questions were asked by Mr P as to where the funds would be sent once they'd been transferred. Indeed, the call in question is only brief – lasting under five minutes.

I appreciate that Mr P wants me to find TransferWise was responsible for his funds being transferred back to B. But that would be unfair because it didn't set up the transfer on his behalf. And, other than giving guidance to Mr P as to how he could fund the payment instruction he'd already set up, TransferWise had no further involvement. It had no way of knowing whether Mr P had correctly set up his transfer request.

While our investigator felt TransferWise could have done more to assist Mr P with his transfer I don't agree. I say this because it gave him clear guidance as to how he could fund the transfer instruction he'd already set up. And, during a telephone call when it became aware there was a problem with the payment Mr P had made, it took steps to discuss how he could ask B to reject the transfer, which would have led to the funds bouncing back. This wasn't possible though because Mr P terminated the call before TransferWise was able to explain the steps he could ask B to take in order to reject the transfer.

I can see that TransferWise emailed Mr P within minutes of the call disconnecting to offer guidance as to how he could ask B to reject the transfer. But there's no evidence to suggest he called TransferWise back to discuss that option further.

I recognise that Mr P was, understandably, distressed and upset that his funds had been returned to B. But I think, if TransferWise had been able to discuss with him how B could have rejected his transfer the outcome may have been different. And I think the loss Mr P subsequently incurred when B converted his funds from Euro to Sterling could have been mitigated or even avoided.

In the overall circumstances of this complaint I haven't seen enough evidence to persuade me that TransferWise was at fault for Mr P's funds being returned to B. So, for the reasons outlined above, I'm not persuaded TransferWise has made an error in how it dealt with his transfer. I'm satisfied it acted fairly in dealing with this complaint. So, my provisional decision is that I'm not minded to uphold this complaint."

In my provisional decision I invited both parties to respond with any additional information they wanted me to consider before I made my final decision, which is our service's last word on the matter.

TransferWise responded to say it had no further evidence to provide and accepted my provisional decision.

When Mr P responded he stated that sending money via TransferWise should have been easy, fast, low cost and fair. He explained that these are the principles on which TransferWise promotes its business model. And he said that his transfer failed on all principles.

Mr P also submitted that the TransferWise representative he discussed his transfer with was *“uneducated in their field”* and that, relying on advice from that individual, caused him detriment. He said the staff member he dealt with ought to have known that the conversion of funds from his Sterling to Euro account should have been instant. So, there should have been no need for the funds to have been sent anywhere.

Finally, Mr P stated he believed that TransferWise had acted negligently and he asked me to direct it to refund him fully for his loss and issue an apology.

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.

And I've carefully considered Mr P's response to my provisional decision. I'm sorry to disappoint Mr P but the points he's made haven't changed my mind about the provisional outcome I reached in February 2021. I'll explain why.

As I explained in my provisional decision, it was clear from the evidence I assessed that Mr P intended to transfer the funds that had credited his TransferWise Sterling account from B to his Euro account. In view of that I carefully considered how the error that led to the funds being returned to B was made. And I explained why I didn't think TransferWise was responsible for what happened here.

I appreciate Mr P wanted to credit his Euro account. But I remain satisfied that he set up an online transfer to credit his account with B in error. And this is what caused his funds to be returned to B. TransferWise wasn't involved in setting up that transfer. And I can't fairly say it's actions led to it departing from the business principles Mr P has brought to my attention.

The screenshots I considered, which showed the steps Mr P would have taken when setting up his transfer, still satisfy me that the information he would have seen before authorising the transfer of funds from his Sterling account was clearly presented. It's clear that he'd have seen the receiving account details before authorising the transfer. And he'd also have seen a message asking him to *“please make sure this is a EUR bank account”*.

Mr P has raised concerns about the competency of staff he spoke with when discussing his transfer with TransferWise. But when I listened to the call recordings TransferWise provided there was nothing to suggest the individuals Mr P discussed his transfer with were untrained or unsure of the transfer process. I'll explain why.

When Mr P contacted TransferWise over the telephone to query the whereabouts of his funds he was given clear guidance as to the “pay-in options” available to fund the transfer

he'd already set up. As I mentioned in my provisional decision, no guidance was given as to how Mr P should set up the payment instruction. And Mr P didn't ask TransferWise to check whether he'd set up the transfer instruction correctly. During the call recordings I listened to, no questions were asked as to where the funds would be sent once they'd been transferred.

While Mr P may disagree with me, I haven't been able to find any evidence that shows TransferWise made an error here. It wasn't at fault for the funds being returned to B. And I can't fairly find that TransferWise could have done anything further to assist Mr P with his transfer. It took appropriate steps to offer help when it became aware that there was a problem with the payment that's the subject of this complaint. And, in the overall circumstances of this complaint, I remain satisfied that TransferWise acted fairly and reasonably.

I've thought carefully about everything Mr P has said in response to my provisional decision. But his comments haven't persuaded me to depart from the conclusions set out in my provisional decision. It follows that I'm not upholding this complaint.

My final decision

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 13 April 2021.

Julie Robertson
Ombudsman