

The complaint

The estate of Mr P complains about the service it received from Nationwide Building Society ("Nationwide") when it tried to make an international money transfer.

What happened

The estate of Mr P is represented by Mrs M in bringing this complaint. For ease of reading, I'll refer to all submissions and actions as having been made by Mrs M.

In February 2021, Mrs M made two international transfers of funds from Mr P's estate. The funds were held in an account at Nationwide. The transfers were made on consecutive days and were both sent to the same beneficiary bank account. The funds were converted from Sterling into a foreign currency at the point of transfer. Mrs M paid a £20 electronic transfer fee for each payment. The second payment arrived quickly with no problem. But the first payment didn't reach the beneficiary, although it debited Mrs M's account.

Mrs M was concerned and contacted Nationwide several times. Nationwide explained that the funds had been sent using an intermediary bank (which I'll call H). It said that the normal timescale for transfers was five working days and that it couldn't do anything until that timescale had expired. It gave Mrs M a routing number so that she could liaise with the receiving bank.

Mrs M says she had to keep chasing Nationwide after that to find out what was going on. Five working days passed and the money still didn't arrive with the beneficiary. Nationwide then requested a trace of the funds. It said that the trace would be performed by H.

Mrs M was very concerned about what had happened to the funds. And she wasn't happy with the way Nationwide was dealing with the situation and how long it was taking. She made a complaint. Nationwide said it couldn't have raised the trace request any earlier. It said it was reliant on receiving information from both H and the receiving bank. It said it would chase H every five to seven working days for updates, but there was no way of speeding up the process.

Nationwide acknowledged that Mrs M had been told incorrectly when she called one day that the trace was being requested that day. That was wrong as the trace wasn't due to be requested until the following working day. Nationwide apologised for this. But it said it hadn't made any other mistakes and that it was working with H to find out why the funds hadn't reached the recipient.

A few days later, the funds were returned to Mrs M's account. This was around three weeks after they had been debited. Nationwide wrote to Mrs M to say that the funds had been returned by the beneficiary bank because the beneficiary account details weren't valid. The amount returned to Mrs M was £963.46 less than the amount which had been debited. Nationwide said this was because the funds had been converted back into Sterling in line with its terms and conditions. It said the exchange rate used on the incoming funds was different from the rate used on the outgoing payment. It said this was out of its control.

Nationwide said it couldn't explain why one payment had reached the beneficiary and the other hadn't. But it said it had processed the payment correctly and didn't think it needed to do anything else.

Mrs M wasn't happy with Nationwide's response and brought the complaint to this service. I issued a provisional decision on 23 March 2022. Both parties responded and confirmed that they have nothing further to add, so I'm now making a final decision on this complaint.

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.

I haven't seen anything which changes my mind about the appropriate outcome here. So I'm going to uphold this complaint in the way I indicated in my provisional decision. My reasons are set out below.

It's not disputed that Mrs M input the same beneficiary account details for both transfers. It's also accepted that these were the correct details, otherwise neither payment would have reached the beneficiary. So it's agreed that Mrs M didn't make any mistakes here and isn't responsible for the first payment failing to reach the beneficiary. But the estate she represents is out of pocket by £963.46.

Mrs M has provided evidence that the intended beneficiary raised a complaint with their bank (the beneficiary bank, which I'll call B). The complaint wasn't upheld as B confirmed that it didn't receive an international payment and didn't reject a payment. It suggested that the investigation should be taken up by the sending bank (Nationwide).

Nationwide says it submitted both payments correctly. I've seen screenshots of the transaction submissions for both payments, which confirm that the same beneficiary account details were used for both payments. So I haven't seen anything to suggest that Nationwide input the transfer incorrectly.

Nationwide says the most plausible explanation is that something went wrong with the intermediary bank overseas. This does seem likely from the limited evidence that's available. Mrs M provided the correct account details, but B says it didn't receive or reject the payment. This does suggest that something went wrong in between. And the information from H appears to show the sender of the returned funds as H's overseas arm, not B.

I understand that Nationwide's position is that it hasn't made a mistake here so it shouldn't have to reimburse Mrs M. But, even if Nationwide hasn't done anything 'wrong', it is in the best place to help resolve the dispute. Something clearly went wrong here in the payment chain. If it wasn't directly caused by Nationwide, it appears to have been a problem with the intermediary. The intermediary was appointed by Nationwide and that's not something Mrs M had any knowledge of or control over. So Nationwide is in the best position to investigate further or resolve things with the intermediary.

The role of this service is to resolve complaints and to decide them by reference to what is fair and reasonable in all the circumstances of the case. Here, I'm satisfied that Nationwide is the party which can take the steps needed to resolve the problem and bring about a fair outcome. So I think it should reimburse the £963.46 which was deducted on 12 March 2021 when the funds were returned to Mrs M's account, with interest. I think that Nationwide should also reimburse the transfer fee of £20, so that the estate isn't out of pocket.

But I'm not going to ask Nationwide to pay compensation to Mrs M for distress and

inconvenience. I do appreciate that the situation has been very stressful for her and has caused her a lot of trouble and worry. But, as I can't safely conclude that Nationwide is responsible for that, I don't think it would be fair to ask it to pay compensation. I'm asking it to reimburse the estate, for the reasons I've explained. But I don't think it needs to do more than that.

I understand that Mrs M was unhappy with the service she received from Nationwide while she was trying to find out what had happened to the funds. But I don't think Nationwide made any mistakes in that respect, other than telling Mrs M that the trace had been requested one working day before it was due to happen. It has already apologised for that and I don't think it needs to do any more in that respect.

My final decision

For the reasons above, I uphold this complaint. Nationwide Building Society should:

- pay £963.46 to Mrs M, together with simple interest on this sum at 8% a year, from 12 March 2021 until the date of settlement; and
- refund the transfer fee of £20.00.

Under the rules of the Financial Ombudsman Service, I'm required to ask the estate of Mr P to accept or reject my decision before 19 May 2022.

Katy Kidd
Ombudsman