

## The complaint

Mr and Mrs M complain that a large payment they sent overseas from TSB Bank plc was rejected. They lost money through different exchange rates when it was returned. They said this happened because of mistakes made by TSB, and they wanted TSB to pay for the loss.

## What happened

Mr and Mrs M needed to send a large amount of money overseas. They sent a small payment first, and that arrived. Then they sent a second, larger, payment, which was rejected. They sent £22,436 in this second payment, but they only got back £21,274.23 because of a change in exchange rates. They thought that was TSB's fault, and wanted it to pay them for the exchange rate loss they had incurred.

Mr and Mrs M said they'd told TSB when the second payment was made that they wanted to use all the same information as the first time. But they then found out that TSB had changed the "*remitter information*" on the form for this second payment, to Mr M's name. Mr and Mrs M thought this was why the second payment was rejected.

Mr and Mrs M said they sent the full amount of £22,436 again, but Mr M realised that TSB had changed the remitter information after this third payment was sent. He asked TSB to change this back, and Mr M thought this was why the third payment was successful. Mr and Mrs M wanted TSB to pay them the difference between the amount they sent and the amount that was returned the second time, and they wanted compensation for the additional distress caused by TSB, at what was already a difficult time.

TSB didn't accept that the payment being returned the second time was because of different remitter information. It said the problem was a mistake in the spelling of the name of the receiving account holder.

This spelling mistake was made on all three transfers. TSB thought it wasn't picked up on the first transfer, because that was only for a comparatively small amount of money. But the second transfer was much larger. TSB thought this must have triggered extra checks at the receiving bank, and the mismatch on the names was picked up then. It said that it sent another message just after the third transfer was sent, correcting that mistake, and the money then arrived safely.

Although TSB accepted that its staff would have keyed in this misspelled surname, it said that Mr and Mrs M were then responsible for checking and approving the payment details, so this wasn't a problem it would accept responsibility for.

Our investigator didn't think this complaint should be upheld. He said that the receiving bank had confirmed that the payment was rejected due to an incorrect spelling of the recipient's name. And he said Mr M was responsible for making sure that name was right on the details of the transfer. So he didn't think that TSB had to pay Mr and Mrs M the money they'd lost.

Mr and Mrs M were unhappy with this. They didn't think TSB knew what it was doing when it made these transfers, and they said they had no reason to check the first payment slip for

mistakes, because that transfer was successful. They said they hadn't caused the spelling error, and it would always have been very difficult to spot. But our investigator didn't change his mind. Because no agreement was reached, this case came to me for a final decision.

### **My provisional decision**

I issued a provisional decision explaining why I proposed to uphold this complaint. This is what I said then:

Mr and Mrs M made three transfers. The first low value one succeeded. The second, for £22k, failed. Then a third £22k one went through.

I've checked the sending transfer messages carefully, and it appears to me there are only two differences between the first transfer and the second. One is the value, the second transfer is much higher. But the other is what TSB recorded as "remitter information".

On the first transfer, the "remitter information" used was a routing number assigned to the receiving bank (which I don't need to name here). On the second it was Mr M's name. Then for the third transfer, B used the routing number again.

The receiving account holder's surname was misspelled on all three transfers, although TSB did later send a follow-up to the third transfer, to notify the receiving bank of this mistake and correct it.

But I couldn't see that we had the full set of messages between TSB and the receiving bank. So I asked TSB for those. On the evidence I have received so far, I haven't been able to see that the receiving bank did clearly set out that the reason that the second payment was returned was because of the mistake in the spelling that TSB highlighted.

TSB may wish to supply further evidence, in response to this provisional decision, and my view then may change. But on what I've seen to date, I think it's more likely that the reason one out of these three attempted transfers failed, was because of the one thing that I can see is different in the documentation for that transfer – the absence of any routing number.

I know that Mr and Mrs M are expected to check the details on the transfer form, before it's sent. But TSB has also explained to our service that the "remitter information" field is used for different purposes, depending on where a transfer is headed. For the country Mr and Mrs M were paying, this field should be used for the routing number. TSB has confirmed this is needed for any transfer going there.

TSB does say it's the customers responsibility to ensure all relevant information is given to ensure a payment reaches the correct person or destination. But I think it's reasonable for Mr and Mrs M to have relied to some extent on the expertise of TSB. And I think one of the points where it's reasonable for Mr and Mrs M to rely on TSB, would be in deciding what sort of information should be provided in the "remitter information" box.

TSB did provide the necessary routing number, on the first transfer and third transfer it made. But it didn't do this on the second transfer. Mr and Mrs M had asked TSB to use the same information on the first transfer, but TSB put different information in this box.

So, on what I've seen so far, I think that's likely to be why this second transfer failed. And I do think that's TSB's fault.

For that reason, my current view is that TSB should pay Mr and Mrs M the difference between the amount they sent on the first transfer, which was £22,436.00, and the amount they received back, of £21,274.23. I note that when Mr and Mrs M made the third transfer, they made up this missing amount from their own money. So I think that TSB should pay Mr and Mrs M £1,161.77.

Mr and Mrs M have explained the family circumstances which led to them making this payment. So I understand that this was already a very upsetting time for Mr and Mrs M. I think TSB has, unfortunately, made this worse. So I think it should also pay £100 in compensation, for the distress and inconvenience that this issue has clearly caused to Mr and Mrs M.

I invited the parties to make any final points, if they wanted, before issuing my final decision. TSB replied, but Mr and Mrs M didn't.

### **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.

TSB said that having considered this further, it couldn't see any reason why Mr M wouldn't have asked it to use exactly the same details as he had used when he sent his first international payment, which arrived without any issues. It had reviewed all three payments, and it agreed that the routing number was omitted on the second payment, resulting in the funds being returned to TSB.

So TSB said it would pay what I'd suggested, to recognise its mistake. I still think that's a fair and reasonable outcome to this complaint, so I'll make the decision I originally proposed.

### **My final decision**

My final decision is that TSB Bank plc must pay Mr and Mrs M £1,161.77 to cover the exchange rate loss they experienced when the second transfer failed, and pay £100 in compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs M to accept or reject my decision before 4 August 2022.

Esther Absalom-Gough

**Ombudsman**