

The complaint

Mrs S complains that Santander UK Plc did not process an international payment when she had sufficient funds in her account and they transferred a lower amount when they did process the transfer.

What happened

Mrs S attempted to make an international payment on 4 November 2019 through her Santander bank account, but the transfer did not complete. She contacted Santander to find out why. Santander said that the transfer didn't complete because she didn't have enough funds in her account to cover the transfer and the administration fee. Mrs S disputed this as she said she had sufficient funds in her account. She said that she used to receive text messages and emails informing her that her account would be overdrawn and that she would need to pay money in to avoid charges, but she didn't get either of these communications here.

Mrs S says that she attempted the transfer again on 9 November 2019, but as she attempted the transfer on a weekend, then this wasn't processed by Santander until 11 November. She said the funds debited her account on 13 November, but the recipient received less than what she tried to send them. Mrs S complained to Santander.

Santander did not uphold Mrs S's complaint, but they agreed to refund her the administration fee for her transfer as a gesture of goodwill. Santander explained that Mrs S did not have enough of an available balance to ensure the transfer completed on 4 November 2019. They said that as Mrs S had pending card payments of £461.31, this meant that while her current balance would show more than she was wanting to transfer, her available balance was £553.95 at the time she attempted the international transfer and the transfer (after the exchange rate had been applied) was for £532.85 and the administration fee for the transfer would have meant she would have needed £557.85 available balance to complete the transfer.

Santander also explained that while two of the card payments they said were pending had debited her account on 4 November, they were unable to see what time they actually debited, but they assured Mrs S that they were aware of her available balances at the time of her attempting the transfer, so there had been no error made.

Santander said that the reason for the recipient receiving less than Mrs S had transferred is because she only chose to pay the Santander fee of £25 and not any other fees charged. Santander also explained that she shouldn't rely on text alerts to manage her account as texts could be delayed due to network issues and they could be received a lot later than they are sent. Mrs S brought her complaint to our service.

Our investigator did not uphold the complaint. He said Santander had provided us information that showed when Mrs S logged into her account on 4 November 2019 at 10:55am, her current balance was £399.92 and her available balance was £29.46. Mrs S made a transfer of £524.49 into her account at 11:04am so that meant her current balance was £924.41 and her available balance was £553.95, but as the international transfer was

attempted at 11:25am, there was not enough available balance to process the transfer and the administration fee, so Santander declined the transfer as there wasn't sufficient funds in the account.

Our investigator explained that Mrs S did not receive a text alert as the payment did not go through and therefore she wasn't overdrawn. Although Mrs S received a payment of £505 into her account at 15:42, this was after the transfer had been attempted. Mrs S asked for an Ombudsman to review her complaint and she said she had proof that she had sufficient funds to make the transaction and that she had transferred funds into her account before she made the transaction.

As my findings differed in some respects from our investigator's, I issued a provisional decision to give both parties the opportunity to consider things further. This is set out below:

"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I've considered what Mrs S has said about the international transfer that she wanted to make on 4 November 2019. I've looked at the screenshots she's provided us and what she's said about the available balance of her account being enough to make the transfer. But I'm not persuaded that these screenshots show she had sufficient funds to make the transfer and pay the £25 administration fee and I'll explain why.

The screenshots that Mrs S have sent us actually match up with the information Santander sent us – but these are reflective of what her current balance was on the day of the transaction and not her available balance. An available balance can be a lot lower than a current balance based on card transactions not fully debiting from her account at the point of the card payment being made – these would be classed as pending transactions. So while the card payments may show as debiting from her available balance straight away, they may not show as being debited from her current balance.

As a result of this, Santander have shown that Mrs S had several hundreds of pounds worth of pending transactions. I won't go into great detail about these here, as Mrs S is aware of these transactions which Santander have highlighted to her. I know she has mentioned two of the transactions were showing on the 4 November 2019, so I asked Santander about the order of where these are displayed on her statement and whether this is indicative of the time the transactions were made. Santander said that these payments were authorised prior to the international payment attempt as they were authorised as debit card payments on 1 November 2019, so Mrs S would have had to take these into account before making any further payments.

Santander said that they would have been reflected in the available balance, however, Mrs S may have just looked at the current balance instead of the available balance. Santander have previously said they are unable to say exactly what time these left her account. So I'm not persuaded that the order of where they appear on a statement after the 4 November 2019 would be reflective of the exact time a transaction actually left her account. I say this as Santander have shown the available balance of the account (after she had made a transfer to herself for £524.49 into her account at 11:04am) to be £553.95.

So I am satisfied that the attempted international transfer wasn't made because Mrs S did not have enough available funds in her account to make both the transfer and to pay the administration fee. I've considered what Mrs S has said about her already transferring funds before she attempted the international transfer. As I've already mentioned, I can see that Mrs S transferred £524.49 at 11:04am, which was prior to the attempted international payment at 11:25am, but the information provided by Santander shows that prior to this

transfer, her available balance was £29.46, when she transferred the £524.49, this increased her available balance to £553.95.

Mrs S would have had enough available balance to transfer the international payment of £532.85 from her available balance at 11:25am when she attempted it, but because there was a £25 administrative fee, this meant she would be (£553.95 available balance - £532.85 GBP after the exchange rate - £25 administration fee) = £3.90 short and that is why Santander did not allow the transfer to be processed.

As Santander did not process the international transfer, this is why Mrs S's account did not enter into an unauthorised overdraft and that is why she didn't receive a text/email alert to tell her that her account was overdrawn.

I've then considered about what Mrs S has said about the recipient receiving less money than what she had sent when the transaction had successfully debited from her account on 13 November 2019.

I've looked at the audit of the international payment that Mrs S successfully made here. This clearly shows that Mrs S opted to pay "Santander charges only". Typically, when someone makes an international transfer, the sender will have an option of which fees (if any) they want to pay. I asked Santander what options were available to Mrs S here. They said there were three options which could be selected, "I will pay the Santander charges only", "the beneficiary will pay all the charges" and "I will pay all of the charges".

Mrs S has said that the recipient of the payment did not charge her fees or commission on the payment. But since Mrs S did not select that she would pay all of the charges, then any charges the recipient's bank or an intermediary bank which facilitated the transfer would charge, would be debited from the international payment. Santander would not be the only bank involved in ensuring the international transfer reached the recipient. So other banks which are involved in the transfer may charge a fee also. This is why the recipient received less than what Mrs S sent them.

I've looked at the audit of the international payment. This does show that Santander did send the full amount of which Mrs S processed on 9 November 2019. So I'm satisfied that Santander did not send less than Mrs S wanted them to send and the only fee which they took was the separate £25 fee that Mrs S chose she wanted to pay. So it follows I do not intend to ask Santander to take any further action."

I invited both parties to let me have any further submissions before I reached a final decision. Mrs S did not accept the provisional decision. She said she made two transfers, which covered enough for the international transfer and for also the pending transactions. She said she sent proof that she had transferred more than £1,000 on 4 November 2019, which covered the international transfer payment and also the pending payments. Santander said they had nothing to add to the provisional 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.

I've considered what Mrs S has said about transferring over £1,000 to her account on 4 November 2019. And I agree that she did transfer over £1,000 to her account on that day in total. But the time the money credited her account is very important. The first transfer, as I mentioned in my provisional decision was at "11:04am so that meant her current balance

was £924.41 and her available balance was £553.95". But the international transfer was attempted at 11:25am.

The second transfer of £505 was completed at 15:42pm. So as this was several hours after the international transfer had been attempted – and was rejected, this is why I did not include reference to this credit to Mrs S's account in my provisional decision (although it was mentioned in the last paragraph of the "*What Happened*" section of my provisional decision).

It also appears that the second payment was earmarked for another purpose as a bill payment was made for £503.50 roughly 20 minutes after the £505 had credited Mrs S's account at 15:42pm. So I'm still satisfied for the reasons I set out in my provisional decision, that Mrs S did not have enough available balance in her account at the time she attempted to make the international transfer to cover the international transfer and the £25 administrative fee.

In summary, Mrs S's response hasn't changed my view and my final decision and reasoning remains the same as in my provisional decision. I know Mrs S will be disappointed, but I hope she understand my reasons.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs S to accept or reject my decision before 16 September 2022.

Gregory Sloanes
Ombudsman