

## **The complaint**

Mr E complained that he didn't get the money from an attempted transfer into his account with Santander UK Plc. He accepted he'd made a mistake with the account number, but was frustrated at what he saw as Santander's refusal to help.

## **What happened**

Mr E told us a close relative had sadly passed away, and in August 2021 he asked that relative's overseas bank to transfer just under £5,500 to his account. He provided that overseas bank with the details of his account, held with Santander.

Mr E accepted he'd got the account number wrong. He said his mistake was just because of grief at the time. But he had then realised the mistake, and contacted Santander. He said it told him the sending bank had to request a return of the funds. But although the sending bank did that, Santander just told it the money had been paid into the account number Mr E had given it, that person had refused to give the money back, and nothing could be done.

Mr E said the account number that Santander had paid the money to didn't match his name or details, which were also included with the transfer request. He said the money was needed to pay for funeral expenses, and it was deeply distressing that someone else had kept it. Mr E sent us all the communications he'd had with the sending bank, showing the efforts it had made to get the money back for him. He wanted us to help.

Santander didn't think that what had gone wrong here was its fault. It said it had tried to contact the person who'd received the money by mistake, but without success. It didn't think there was any more it could do to help Mr E.

Our investigator didn't think this complaint should be upheld. I've not set out his reasoning here, or detailed the discussions that then took place between him and Mr E, both because the situation has changed since, and because I have taken a different view of this complaint.

Mr E wanted an ombudsman to consider his complaint, so it was passed to me for a final decision.

## **My provisional decision**

I issued a provisional decision on this complaint and explained why I did propose to uphold it. This is what I said then:

Mr E had focussed on what Santander did when he had realised his mistake. But I thought things went wrong before this.

International payments like this one are made through a system called SWIFT, which passes messages between banks. Unfortunately, it's not unheard of for errors to creep in to transfers like this one. However, it's my understanding that there is scope in the SWIFT system for the receiving bank to check the recipient's name and account details before making the payment. If an error is identified then either the information can be

“repaired” (by a message correcting the details, like the one the sending bank issued in this case) or the payment can be returned to the sending bank.

So I asked Santander why it had credited this payment to an account number which didn’t match the account name on the SWIFT message. Santander replied by changing its stance on this complaint. It offered to pay the money back to the sending bank.

Whilst Santander certainly isn’t responsible for the mistake about Mr E’s account details, I don’t think Santander did need to credit the wrong account with these funds. So I think that Santander is responsible for the fact that funds which reached it in August 2021 were then credited to the wrong account.

I do think Santander made some efforts to help Mr E, because I can see it did try to contact the person who received the money in error. But it also appears to have treated this as if it was a payment originating in the UK. And it gave Mr E advice about what had gone wrong and how to retrieve his money, which also appears to me to have been based on payments originating within the UK. This was always an international payment. So I think Santander has also prolonged this problem for Mr E, by failing to recognise its own responsibilities in this case, earlier than it did.

I replied to Santander’s offer to return the money to the sending bank, saying I thought it was likely that the account held by Mr E’s late relative would now be closed. And I noted that Santander had received a “repair” message from the sending bank, so already had authority to amend the account details on the payment it held. I asked Santander if it could just action that “repair” message, and credit Mr E’s account.

Santander didn’t reply to that question. And it did send the money back to the sending bank. Although Santander repeatedly told our service that delays in resolving this issue after the funds were returned to the sending bank were all caused by that sending bank, it hasn’t explained why it needed to take the step of returning the money in the first place, rather than simply crediting Mr E’s account. I think Santander then caused further delays for Mr E.

I am very pleased indeed to be able to say that Mr E has now received the bulk of his money. And he has been able to pass funds to the relative who paid for the funeral, who has been waiting to be reimbursed. (Mr E has told us that £15 has been deducted at some stage. It isn’t clear when or which bank made this deduction, but in the light of how long this case has already taken, I won’t delay further by seeking to investigate this.)

So, in summary, I think that Santander does carry responsibility for this payment actually being credited to the wrong account, instead of this mistake being caught at that stage. It also carries responsibility for not identifying its own error earlier, as well as for further delays when it passed the payment back to the sending bank rather than just crediting Mr E’s account. This has meant that a payment Mr E attempted in August 2021 finally arrived in his account in September 2022. This has caused Mr E considerable distress, and a substantial amount of inconvenience. In these circumstances, I think that Santander should pay Mr E £1,000 in compensation.

For completeness, I note that Mr E has also made a complaint against the sending bank. I understand that has now been finally resolved, and a small payment made to Mr E, which is expressly and solely in reflection of the false hope that he was given by the sending bank that his money might be recovered by it. I do not consider that this award overlaps with my decision here.

I invited the parties to make any final points, if they wanted, before issuing my final decision. Both parties replied.

### **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.

Mr E said he fully accepted my report and provisional decision. He noted that Santander had changed its stance about the SWIFT transaction. He stressed that Santander had told him the onus for any checks was entirely on the sending bank and it was not obliged to perform any checks at all. He said Santander also told him the sending bank should have used a Confirmation Of Payee system, so he'd felt the sending bank was responsible for what went wrong. I noted in my provisional decision that Santander appeared to have handled this complaint as if it was a domestic payment, and had advised Mr E on this basis.

Mr E thanked us again for our work on this case.

Santander replied to say it was taking ownership for its share of the issues here. It said that, considering the amount of time it had taken for this issue to be resolved, as well as the sad circumstances forming the background to this complaint, it would agree to pay £1,000.

Neither side has offered further evidence in this case, and I haven't changed my mind. I'll now make the decision I originally proposed.

### **My final decision**

My final decision is that Santander UK Plc must pay Mr E £1,000.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 28 October 2022.

Esther Absalom-Gough  
**Ombudsman**