

The complaint

Mrs A and Mrs M complain that Tor Currency Exchange Limited (Tor FX) failed to carry out an agreed currency exchange. As a result, they incurred fees and would like compensation.

What happened

The facts of this case are known to both parties, so I won't go into a lot of detail about what happened. The summary of the main points are outlined below.

Mrs A and Mrs M contacted Tor FX to enquire about sending £108,000 in Euro, abroad in order to complete a property purchase. Mrs A had various conversations with Tor FX before agreeing to proceed with the currency exchange. Mrs A sent £108,000 to Tor FX in several payments on 27 January 2021. The rate was agreed and the amount in Euro was confirmed.

Additional checks were required and after three weeks the Sterling amount was returned to Mrs A. The currency exchange hadn't been carried out.

In summary Mrs A has told us that she contacted Tor FX nearly every day. She needed the funds to complete a property purchase abroad and the currency exchange delay had impacted the purchase. Mrs A says that she has incurred losses as a result of the delay.

Mrs A and Mrs M complained to our service. One of the investigators looked into the complaint. They said they thought Tor FX could have reviewed the information provided without delays. They recommended Tor FX pay interest on £108,000 for the period of time the money was delayed due to checks not being carried out promptly, as well as £150 compensation for delays.

Tor FX agreed with the view.

Mrs A and Mrs M agreed that Tor FX should have done more but wanted more compensation. They said they had incurred losses of £25,000 in relation to the property purchase abroad as completion was delayed. Our investigator asked Mrs A for bank statements to show she had to pay extra fees because of the delay in completion. Mrs A wasn't able to provide the bank statements but provided a contract for sale. Mrs A also said she didn't think a total of 600 Euros compensation suggested by our investigator was enough considering it had taken two years of waiting to reach this stage.

As there was no agreement the matter has come to me to decide.

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.

As both parties have agreed that Tor FX could have done things better, I won't go into that aspect of the complaint.

Mr A and Mrs M are unhappy with the amount of compensation awarded to them so I will limit myself to considering what is fair compensation in the circumstances of this case. Compensation in this case can be made up of a payment for the non-monetary losses, the distress and inconvenience that the error had on Mrs A. In addition, I must also consider that the money wasn't available for the use of Mrs A whilst it was stuck in the Tor FX system, this would be reflected in an award of interest for the loss of use of the funds. In addition, it is possible to consider any financial losses that have been incurred as a result of the error.

Both parties have accepted there was an unnecessary delay in processing the currency exchange. And that the currency exchange didn't take place. The money was returned to Mrs A and Mrs M, and they had to make alternative arrangements to send the payments abroad.

From the information I have available I can see Mrs A provided Tor FX with details regarding her account, she sent statements to evidence this was a joint account. Tor FX could have assessed this information but instead referred it to their bankers. This resulted in a delay of around 20 days. During this time Mrs A didn't have access to her money and she has been deprived of the use of it. So, I think awarding 8% interest is fair in the circumstances. The investigator thought interest should be paid between 1 February and 19 February 2021 which would allow some time for Tor FX to have carried out their own checks. I'm satisfied that this is a reasonable timeframe.

In addition, the investigator awarded £150 for the delay. I appreciate the delay caused Mrs A substantial amount of inconvenience and she did call Tor FX numerous times. In addition, she has said she was stressed about the completion of her property purchase abroad. I think the amount awarded was reasonable in the circumstances and reflects the non-monetary loss in this case. I appreciate Mrs A was very worried, but the delay was a short one. I must remind Mrs A that this amount isn't an amount to punish Tor FX for their errors. When considering the impact, I've taken account that Mrs A was able to send the currency abroad and to complete the purchase. So, I think this is a fair amount in the circumstances.

Mrs A has said that as a result of the delay with the exchange rate they have incurred a monetary loss of around £25,000 worth of fees as they were not able to complete the property purchase on time. Mrs A has provided a copy of the purchase contract and I can see that it refers to damages. Mrs A has said the contract stipulates payment must be made in 30 days and because this wasn't done, she incurred fees. I accept that in general penalties may be payable in this type of situation and in some instances a party may forfeit a deposit if the contract doesn't go ahead. I can see the amount of damages aren't quantified in the contract and although Mrs A has told us she incurred losses she hasn't been able to provide bank statements to evidence this money having to be paid to her vendors.

In view of the lack of evidence of loss I am unable to ascertain if there was any other impact caused by the delay to the currency exchange. It follows I won't be asking Tor FX to pay any further compensation.

I know Mrs A has waited a long time for the resolution to her complaint. I appreciate she will be disappointed with my decision. However, as mentioned above I cannot award compensation without evidence of further loss.

Putting things right

In summary due to the delay in the currency exchange, Tor FX should pay compensation to Mrs A and Mrs M as follows: 8% interest on £108,000 from 1 February 2021 to 19 February 2021 as well as £150 compensation for the delay.

My final decision

For the reasons stated above I uphold this complaint. I require Tor Currency Exchange Limited to pay Mrs A and Mrs M:

- Pay 8% interest on £108,000 from the 1 February 2021 to 19 February 2021
- Pay £150 compensation for the delay

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A and Mrs M to accept or reject my decision before 18 January 2023.

Esperanza Fuentes
Ombudsman