

The complaint

Mr D complained that Nationwide Building Society made a SWIFT payment in the wrong currency and this resulted in an exchange rate loss.

What happened

I issued my provisional decision on this complaint on 20 October 2022. This is what I said:

What happened

Mr D wished to transfer £20,000 from his Nationwide account to his GBP bank account in Albania. As he has difficulty both reading and understanding English, he decided to complete the transaction in a branch on 28 January 2022.

Mr D says that when making the transaction he informed the Nationwide cashier that he required a GBP to GBP transfer, and he showed them a prepared Albanian bank document dated 23 December 2021 which set out all of his GBP bank account details. He says the cashier used this information to populate the SWIFT Transfer Request Form, which he was then asked to check and sign. When checking the form, Mr D chose to tick each line and when he came to the 'currency to be sent' line, which said "EUR", he says he queried this and was told not to worry, hence he didn't tick that line or the next foreign exchange rate line.

Mr D later discovered that the transfer was completed in Euros rather than GBP and, as his Albanian account was in GBP, this meant a double exchange rate conversion and a loss of £850. Mr D complained to Nationwide and requested a refund of the amount lost. Nationwide recognised there had been a misunderstanding but said their cashier remembered having had a discussion on what currency was to be sent to Albania and "EUR was offered and accepted". Nationwide were sorry for the misunderstanding however couldn't agree they had made any errors.

Mr D didn't agree and subsequently complained to the Financial Ombudsman Service. Our investigator didn't agree that Nationwide were responsible for the incorrect information on the form.

As Mr D remains dissatisfied, this case has now been referred to me to look at.

What I've provisionally 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.

Having done so, I have come to a different view to the investigator and I intend to uphold Mr D's complaint.

In the absence of any CCTV footage, I reviewed the Nationwide SWIFT Transfer Request Form together with their process document. This confirms that the cashier populated the

SWIFT Transfer Request Form with Euros and not GBP. Mr D then signed the form which stated "By signing this form, I confirm the payment details are correct, agree to the above important information, authorise this transaction and accept the transaction fee."

The customer checking and signing the request form is the critical part of the process, as any errors or misunderstandings would be picked up at this stage. This could be taken to confirm Nationwide's position that the EUR option was both offered and accepted.

However, I need to consider all of the circumstances of this complaint. So, while this signed form is important evidence here, there is also other evidence that I need to consider. In particular Mr D has given his version of events and submitted evidence which runs counter to what Nationwide has said. So here, I need to reach my decision on the balance of probabilities – in other words, what I consider most likely to have happened in light of the available evidence and the overall circumstances.

It's not in dispute that Mr D has a low English language capability. From listening to call recordings and looking at correspondence, I'm satisfied that English is not his first language and accept his claim that he has difficulty reading and understanding it. So, it's entirely understandable that he wanted to go to a branch to get support in making such a large transaction.

I've seen that Mr D's Albanian account is in GBP and he says he showed the cashier information confirming this to Nationwide too. He says the cashier used this to populate the relevant fields in the SWIFT transfer form. I think it's likely that he provided this information to the cashier on the day too, as it would have meant that he needed to do less explaining given the language barrier. He's provided what he says was the relevant information to this service too. It's dated 23 December 2021 and has all the relevant information to help make an international payment and it shows that the account was in GBP.

So, I think Mr D's intention was always to transfer GBP to a GBP account and I think he took the information to the branch to help him achieve that. It would be unusual, if not illogical, for him to request a transfer in Euros, as this would mean an unnecessary high cost due to exchange rates being applied twice. Notably here, Mr D put a tick next to all transaction detail lines on the SWIFT Transfer Request Form, except for Euro and the exchange rate. That supports that Mr D didn't think those options needed ticking because the payment was in GBP and there would be no exchange rate.

The cashier says "Albanian Lek wasn't listed on the payment screen but Euros was an option, and this was offered" so it appears that the cashier understood Mr D's request to be a transfer in local currency. It is likely that this is where the confusion started as it would have been unusual for Mr D to want Euros where the receiving account was held in GBP. The cashier thought that as he wanted Euros, she went on to populate the form on that basis, but it is unclear what steps were taken to check the currency of the account being credited.

I requested further information from Nationwide on their procedures, including cashier training material. This was so I could see international payment cashier activities and understand how they should be carried out. Unfortunately, this could not be provided so I have had to rely on the information on file.

Whatever the procedure here though, I think the fair thing to have done here would have been to try to understand the nature of the transfer and to have established how best that could be made for the customer. That's particularly where there is a language capability issue, which is a characteristic of vulnerability according to the Financial Conduct Authority's guidance on this topic.

Also, although I do not have Nationwide's procedural information, I would have thought it likely for the cashier to make efforts to establish the currency of the account being credited and to be careful of making any assumptions. That's especially true here where Mr D has difficulties with English and where he provided a statement clearly showing that the intended account was in GBP.

In addition, if a transaction involves an additional currency, I thought it likely that a check would take place to ensure it is in the customer's best interests. Given the evidence here, I think it's more likely than not that the currency to be transferred was probably not clarified and the EUR option was entered because it was either an assumption, or an error.

I then considered Mr D's comments on why he ticked some information on the SWIFT Transfer Request Form but not the Euro and exchange rate lines. As there is dispute with the cashier saying, "EUR was offered and accepted" and Mr D saying he was assured it was GBP and told not to worry, I can only conclude that they were talking at cross purposes. However, the fact that Mr D did not tick the Euro and exchange rate lines gives further weight to him making a GBP instruction at the start of the process.

So, taking all of the above into account, on balance of probabilities I think it likely that Mr D did his best to confirm he was sending GBP and when completing the SWIFT Transfer Request Form the cashier either made an assumption or error. Because of his difficulties in understanding English, Mr D thought he had been given reassurance that his instructions were followed – when in fact they hadn't, as he later found out. So overall here, I intend to uphold Mr D's complaint.

In line with the above, I'm currently minded to tell Nationwide to cover Mr D's exchange rate losses – which I work out to be £847.15 based on the evidence Mr D has supplied. I also think this will have been a frustrating and confusing time for Mr D and so I intend to tell Nationwide to pay £100 for the distress and inconvenience caused by its handling of this matter.

My provisional decision

For the reasons I've given above, it's my provisional decision to uphold this complaint and award £847.15 to Mr D to cover the exchange rate loss. I also award £100 for the inconvenience and distress caused.

I invited both parties to let me have any further comments or evidence before the deadline. Mr D didn't respond, and Nationwide said:

"When a member requests for a SWIFT payment in the branch, we will complete the form using the details the member has provided, and we then ask the member to sign the form to confirm the details are correct. As previously confirmed, when Mr D visited our branch to request a SWIFT payment to be sent, the Member Representative at the branch had a discussion with Mr D on what currency was to be sent to Albania. Albania Lek wasn't listed on the payment screen; however, Euros was an option, and this was offered. Mr D confirmed to send the payment in Euros and Mr D signed the SWIFT transfer request form to confirm the payment details are correct".

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.

Thinking about everything again and in light of Nationwide's comment I still think, on balance of probabilities, that it's likely that Mr D did his best to confirm he was sending GBP and when completing the SWIFT Transfer Request Form the cashier either made an assumption or error. And, because of his difficulties in understanding English, Mr D thought he had been given reassurance that his instructions were followed – when in fact they hadn't, as he later found out. So, I'm upholding Mr D's complaint.

My final decision

My final decision is to uphold this complaint. I require Nationwide Building Society to pay Mr D £847.15 to cover the exchange rate loss. Also, to pay Mr D £100 for the inconvenience and distress caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr D to accept or reject my decision before 2 January 2023.

Paul Douglas
Ombudsman