

The complaint

Mrs L complains that Nationwide Building Society (Nationwide) made errors in sending her international payment.

What happened

On 3 September 2021, Mrs L visited her local branch of Nationwide and instructed an international payment of EUR 16,000 to a beneficiary in Albania. The GBP equivalent was £14,035.09. The payment was returned as the account number couldn't be identified - and Mrs L received a credit for £13,457.24 on 21 October 2021.

Mrs L complained. She said the staff member at the branch was responsible for completing the payment form and made an error. She was also later misinformed by Nationwide about when the payment would be received by the beneficiary – her mother's solicitors. The money was needed to complete for a property purchase. As a result, she incurred expenses totalling £596.64 and an exchange loss of £577.85 when the money was returned. Mrs L then made the payment using another payment provider – on 16 September 2021.

Mrs L was pregnant at the time, and she said she suffered a lot of stress and worry over the whereabouts of her money, and because of the need to make several adjustments to her mother's traveling arrangements. She asked for a compensation payment of £1,000.

Nationwide didn't have the opportunity to respond to Mrs L in a final response as Mrs L brought her complaint to us in the meantime. But they said to us that a testimony from the branch said that Mrs L advised the payment details to the branch member of staff. And the account number was two digits too long – it was ten digits, but the form only took eight. And so, the eight-digit number was entered and the full number put in the 'additional details' space.

The branch manager became involved and said that Mrs L called someone when in the branch to confirm the details and then she confirmed the payment could go ahead. The manager also said Mrs L was advised that the payment may take a long time to be recovered if the payment details weren't right. The testimony said Mrs L was advised the timescales for the payment might be at least four working days. Nationwide said the exchange loss shouldn't be refunded as they'd not made an error.

Mrs L brought her complaint to us. Our investigator said Nationwide had a duty to ensure the form was completed properly, but it wasn't. And then, when Mrs L called Nationwide on 7 September 2021, she was wrongly told the payment would be credited by the end of that day. On 15 September 2021, Nationwide said on an internal call that the form had been completed incorrectly and then asked for the funds to be recalled. Because our investigator felt that Nationwide were responsible for the completion of the form, he said that they should reimburse the exchange loss of £577.85 and pay compensation of £250.

Mrs L accepted the findings. Nationwide didn't agree. They said while Mrs L couldn't be familiar with payment processes, Nationwide also wouldn't know the beneficiary's account number. Nor could they be responsible for knowing the SWIFT code of the beneficiary bank

– of which there are over 11,000. They are reliant on customers to provide accurate information – and this was stated on the payment form signed by Mrs L. Mrs L had re-checked the payment details when in the branch and gave the go-ahead.

I reached a provisional decision where I said:

I understand completely the frustration and anxiety felt by Mrs L here – a large sum of money went missing, and she needed to understand what had happened, and why. This is a finely balanced provisional decision, with arguments from both Mrs L and Nationwide. But on balance, I think that what happened here was that Mrs L was responsible for providing the beneficiary account details to Nationwide and was warned about the consequences if they were wrong. But also – she wasn't given enough information about the timescales involved for a payment to Albania, especially when she called Nationwide on 7 September 2021. And so – I am not intending that Nationwide refund the exchange loss, or meet her total expenses, but a payment of compensation is appropriate.

Payment instruction in branch on 3 September 2021: Looking at what happened here, Nationwide's terms of business for such payments are clear. The payment instruction signed by Mrs L said "*International Bank account number (IBAN)...this number is used to identify the recipient's bank account. Please check carefully that the number you enter is correct. If it isn't, your payment may go to the wrong account and we may not be able to get your money back.*" I also looked at Nationwide's terms and conditions which say "*You must give us the correct details. If you don't, the payment may be delayed or not even received by the right person and we may not be able to get it back for you.*"

In other words, the onus was on Mrs L to make sure the account details on the form were correct. On the call on 28 September 2021, I heard Mrs L say she had a screenshot of the account details on her phone which she used in the branch. And the branch testimony said that she made a call while in the branch to ensure the details were OK and then told Nationwide to go ahead – this was after there was a discussion about the ten-digit account number not fitting into the eight-number field on the form. So here, I think Mrs L must bear responsibility for the payment going astray.

Turning to what Nationwide have said, I think this is reasonable – they can't be expected to know the beneficiary's account number, and must rely on a customer to provide this accurately, and therefore can't be held responsible if there is an error.

I accept that the branch member of staff said that the eight-digit number could be tried – but I didn't see there was any guarantee that it would work. And it looks to me as if the branch member of staff acted diligently and genuinely tried to help Mrs L. I'm also persuaded that the branch manager stated to Mrs L that if the payment went astray, it would take a long time to get it returned – but despite that, Mrs L said to go ahead.

Mrs L has evidenced the call on 15 September 2021 – which was a recording of an internal call at Nationwide. I've listened to the call. The participants to the call agreed that the wrong IBAN number was put on the form – but they didn't say whose error that was – whether it was the branch's or Mrs L's error, simply that the form had the wrong account number on it. So – this piece of evidence isn't conclusive one way or the other.

And therefore, on balance, I think the onus was on Mrs L to give the correct payment instructions but she didn't. And she was given sufficient warning as to what would happen if the payment went astray.

Timescales advised for the payment: I've gone on to consider what Mrs L was told, and I think Nationwide could've done better here. The payment instruction said, "*Payments*

outside the EEA will take longer (than four working days) – please ask for details”.
Nationwide’s terms and conditions say, “*Payments outside the EEA will take longer – please ask us for details.*”

And here, the branch testimony says she was told it would be received in a minimum of four working days. But given what the terms and conditions, and the payment form says – the onus was on Nationwide to advise Mrs L of timescales – but they weren’t clear enough – they should’ve (at least) said the payment could take a lot longer than four working days. But – Mrs L was given the expectation of about four working days.

I then listened to the call on 7 September 2021. Mrs L was seeking the whereabouts of the payment.

She was clearly told, in a confident manner “...*it should arrive by 5pm today*”. Nationwide say they assumed it was a CHAPS payment when it wasn’t. But that wasn’t Mrs L’s fault – as far as she was concerned the payment was about to be received by the beneficiary that day.

Mrs L then called Nationwide again on 15 September 2021, and I listened also to that call – by then it was clear there was a problem – and a payment recall was started to get the money back.

And so – Nationwide didn’t communicate the probable timescales reasonably and made a mistake in advising Mrs L on 7 September 2021. And it’s only fair that they pay some compensation for this – I propose £100.

Mrs L has also made a strong case for the stress and anxiety she suffered when she was at a critical time in her pregnancy. She made frequent calls to Nationwide as to the whereabouts of the funds and had to make a number of last-minute travel arrangements for her mother. And so, for this, she should receive compensation of £200. Our service has set out criteria for deciding compensation. These say an award of up to £300 might be suitable where there have been repeated small errors, or a larger single mistake, requiring a reasonable effort to sort out – and for the poor communications by Nationwide, I think the total amount of £300 is right.

This provisional decision is subject to anything more that either Mrs L or Nationwide want to bring forward. Mrs L says she has some further call recordings and she may wish to submit those.

Responses to the provisional decision:

Nationwide had no further comments, but Mrs L did. She said:

- The payment form only had eight spaces – so could only take an eight-digit number. So, there was a fault on the form’s design, and Nationwide should therefore be responsible.
- She was never told there would be an exchange loss on the return of the funds.
- She was told on the phone that the payment would be in the beneficiary’s account by 17.00 on 7 September. Because of this, her relative extended her stay in the country at a personal cost.

I now need to consider the additional points made and make a final 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.

We asked Nationwide for a copy of the payment form. We saw a copy. It has 32 spaces for the IBAN. So, the form could've taken the full 10-digit number. And as I said in the provisional decision, the onus was on Mrs L to ensure the number on the form was correct. I think this is the crux of the outcome of this complaint – and unfortunately, the core of the error lay with Mrs L, rather than Nationwide.

On Mrs L's point about not being told there would be an exchange loss – this is a new complaint point. But I've considered this – but as the payment had gone astray because of the error on the account number – I can't hold Nationwide as responsible for that.

I accept that Mrs L was told that the payment should be credited on the evening of 7 September 2021. And that was an error by Nationwide. But the crux of the complaint outcome is that the error on the payment was due to Mrs L not providing the correct payment details on the form. I'm confident that the compensation I proposed was right for the error Nationwide made on the phone call.

Therefore, having reviewed again the points that Mrs L has made, my final decision is consistent with the provisional decision.

My final decision

I uphold this complaint. Nationwide Building Society must:

- Pay compensation of £300 for stress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 17 January 2023.

Martin Lord
Ombudsman