

The complaint

Mr R, who is a director of a limited company, which I will refer to as R, brings a complaint on behalf of R due to the service that was provided by National Westminster Bank Plc (NatWest) when Mr R requested to transfer funds to an individual abroad.

What happened

On 6 May 2022, Mr R went to a NatWest branch to request an international money transfer from R's business account to a third-party's bank account located abroad. The amount of money Mr R was requesting to transfer was approximately £80,000.

Mr R said that he provided all the necessary details for the transfer. He said these included details of the transfer bank, plus routing and account details for the third-party recipient abroad. To his surprise, Mr R said that he was informed by employees of NatWest branch that a certain routing number wasn't necessary. Shortly after requesting the transfer, Mr R said that a third-party from abroad, informed him that the funds have not arrived. So, Mr R said that on 17 May 2022, he visited a different branch of NatWest, and there he was informed that the funds had not been transferred because 'the payment had not been verified' and there had been 'no response to a letter sent'. Mr R said that he, again, provided NatWest with all the required information, including the routing number, but again he was told that the routing number wouldn't be needed. And it was not until 10 June 2022, that he received a letter from NatWest, dated 2 June 2022 that said that the transfer couldn't be made as 'the beneficiary bank details are missing.'

Mr R said that he made numerous calls trying to sort this matter out and that it was only about eight weeks from the date he initiated the money transfer, that the third-party abroad received the funds. Mr R said a lot of inconvenience was caused and getting the matter sorted took a lot of time. He said he had to make several long trips to the NatWest branches while trying to sort this out. As he was unhappy, he raised a complaint with NatWest. He said that this money was held since 18 May 2022 by NatWest and it has foregone any interest it would have earned.

In June 2022, NatWest wrote to Mr R. In this correspondence they explained to Mr R that the beneficiary's bank had returned the funds to them as the beneficiary's account details were missing, and they were unable to credit the funds to an account. NatWest explained that they wrote to Mr R on 2 June 2022, and again on the 20 June 2022, advising him to get in touch with them. In the meantime, the funds were in a holding account pending his instructions. They said that on 23 June 2022, the missing information was added, and the transfer again re-requested. In this correspondence, NatWest also explained that they understand that Mr R had all of this information at the time he visited the NatWest branches, but was advised that this was not necessary, for which NatWest said they were sorry. They also said, they have communicated with the two branches to remind them that it is the customer's responsibility to verify the information that is provided, and that branch members should not influence how a payment is to be made, and what information should be provided. They explained that going forward, Mr R should ensure that he is comfortable with the information that has been keyed in for any payments before approving the transaction, as the bank is not responsible for any losses. They did however, as a gesture of goodwill,

credit Mr R's personal account with £30 which was initially paid for the urgent transfer fee. They also said that a £25 investigation fee may be applied to Mr R's account following the rejected transaction, so as a precaution they have also credited this amount to his account, again as a gesture of goodwill.

NatWest also said that for the distress, inconvenience and worry that this issue has caused Mr R, and for the lack of support and quality of information that they gave him, they would like to compensate him £500, and asked him to let them know if he decides to accept this offer.

Mr R was unhappy with this, so he brought his complaint to our service. As a resolution to his complaint, Mr R would like NatWest to pay him £1,500 in compensation instead of the £500 offered.

Our investigator thought that NatWest's offer of waiving the fees incurred, plus the £500 compensation offered by NatWest was fair and reasonable under the given circumstances.

Mr R disagreed with the investigator. So, the complaint has been passed 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.

In considering what is fair and reasonable, I need to take into account the relevant rules, guidance, the law and, where appropriate, what would be considered to have been good industry practice at the relevant time.

Mr R said he had all the information written and that he presented this to the staff in the branch on both occasions. He is adamant that all details requested by NatWest staff at both branches were given correctly, and that further information was offered, and refused as unnecessary. He contends that this was a wilful default by NatWest staff at both branches. And, he said, NatWest didn't notify him at any time until he complained that the information, he had given, was inadequate.

NatWest have told us that they appreciate Mr R has said that the branch informed him the routing number wasn't necessary and, ultimately, this is the reason why the transfer was returned/delayed. However, they said that their branches' version of events doesn't match up with Mr R's, and that in the end it's the customer's responsibility to ensure the payment details are correct, and not the bank's. They also said that they reimbursed the £30 International Payment Fee as a gesture of goodwill, along with the £25 Investigation Payment Fee, which Mr R incurred when the payment was returned from the beneficiary, plus they offered £500 compensation, so overall they felt that their offer was fair.

I've considered all the above in order to decide what is fair and reasonable. And overall, I think the compensation offered by NatWest to R is fair. Even if I was to decide that NatWest is at fault for all the errors that have occurred, I don't think the resolution offered by them is unreasonable. I've taken into consideration the impact and the delays this situation had on R, and the inconvenience this caused. But I think the £500 offered by NatWest is a fair amount of compensation to reflect the impact of this situation. I know Mr R said that the money has forgone interest due to the delays that have been caused. But I'm conscious that, had no error occurred from the start, the money would've left R's bank account early in May, so it wouldn't have been earning any interest during the delays in question. Also, I can only consider the impact this situation had on R. And I've not seen evidence of any financial loss which would be considered over and above what has already been offered by NatWest.

Overall, I sympathise with Mr R for the difficulties that he had experienced, but taking all the circumstances of the complaint into account I think NatWest's offer to R is fair and reasonable, and I can only consider the impact this situation had on R.

My final decision

For the reasons given above I think National Westminster Bank Plc compensation offer is fair, so they should pay R the £500 they offered, if this has not yet been paid.

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

Mike Kozbial
Ombudsman