

## The complaint

Mr E and Mrs E feel that Nationwide Building Society has treated them unfairly in relation to receiving a payment to their account.

## What happened

In March 2021 Mr E tried to pay substantial funds to their account with Nationwide Building Society (NBS for short) from his account with Firm C. This payment required a currency conversion from US Dollars to GB Pounds by Firm C. When this payment wasn't successful Mr E spent a significant amount of time trying to get to the bottom of why it hadn't been successful with both NBS and Firm C. After further attempts to transfer the money that were unsuccessful, Mr E finally made smaller transactions to transfer the amount to be transferred in smaller amounts, doing so in May 2021. Mr E says he's lost £12,780.99 between the foreign exchange conversion rate he was initially told he'd have to what he finally received in his account with NBS. So he complained to NBS who initially offered him £50 for not dealing with one of his calls well. He brought his complaint here.

Our investigator agreed that NBS should refund Mr E £12,780.99. But NBS didn't agree. It said that although it was responsible for some of the issues present, some of the initial issues stemmed from Firm C and it didn't feel it was responsible for all that happened. So it didn't feel it should pay that much. But it did think it should pay the £350 the Investigator suggested it pay Mr E for the distress and inconvenience suffered. After further 'to and fro' between this service and NBS, it suggested it should:

*"redress any loss in value of the exchange rate between 12<sup>th</sup> April 2021, when we should have provided further assistance to enable (Mr E) to make the payment to 10<sup>th</sup> May 2021 when we actually provided (Mr E) the information required to make the payment."*

This suggested settlement has been put to Mr E, but Mr E said he couldn't accept it because, based on his calculations, there would be a difference of over £4000 between what he felt the loss was (£12,780.99) and what he calculated NBS' offer to equate to. He did say he'd want further information about NBS' rationale to make an informed decision. He also said he took significant steps to mitigate possible losses.

Our Investigator remained of the view that NBS should pay £12,780.99 plus the £350. NBS doesn't agree, so this complaint came to me to decide.

I issued a provisional decision in December 2022 saying why I felt the offer methodology that NBS had put forward was fair. NBS responded saying it had nothing further to add. Mr E has made a number of arguments.

## 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.

I've considered Mr E's comments and I'm not persuaded to deviate from my position as articulated in my provisional decision largely for the reasons already given. I shall provide

further comment on Mr E's arguments after I've set out the main arguments that were in my provisional decision again here for completeness. But I'm satisfied that the NBS offer is fair.

The type of payments from Firm C that Mr E made to NBS (both those that were successful and those that were unsuccessful) are essentially 'push' transactions where Mr E gives Firm C an instruction and it then makes the payment which goes through an intermediary bank before reaching NBS. Clearly the currency exchange rate is fluctuating in line with market conditions, before during and after what happened here happened. And when Mr E finally made the successful transfers the conversion rate received from Firm C wasn't as favourable as that which he'd been advised of in March 2021. Nevertheless Mr E made those transfers at those rates when he did. And if he was unaware of the exchange rate when he did that, that wouldn't sit with NBS. Mr E says he mitigated his losses; however it seems he could have waited for more favourable rates to do the transfers if he'd chosen to do so. And NBS weren't providing that conversion rate-Firm C was. So in making those successful transfers at the exchange rate he did, Mr E does bear responsibility for those decisions to transfer at those rates at those times.

Having said that, there is no debate that NBS could have done better in helping Mr E iron out the problems being encountered in these payments which were returned originally. And NBS has accepted it could have done better by accepting this and making an offer.

*So is the NBS offer methodology fair?*

NBS has firstly noted that in relation to the first call Mr E made to it, it hadn't made a mistake. It says that based on what Mr E told it, it had searched for the transaction but had been unable to find it. It argues that its search criteria were reasonable based on what it had been told. And it points to having large numbers of such transactions on a daily basis and thus searched all such incoming transactions within parameters based on what it had been told. It then goes on to say when Mr E tried to do the transfer again a few days later in March 2021 it would have expected Mr E or Firm C to have done more at that point to understand why the first transaction hadn't been successful. It also notes that the initial payments were unsuccessful due to not having all the required identifying information provided along with the payment and that it was applying its criteria in line with its risk criteria for such transactions.

Having considered what happened here and what NBS did in March 2021 between the first two attempted transfers I'm not persuaded it did anything wrong or made a mistake. I do have sympathy with Mr E's view that it could have done better. It had searched for the payment based on parameters in its search based on what Mr E had told it at the time and couldn't find it based on those parameters. It does transpire that NBS had received the money but hadn't been able to identify it as the amount searched for was different to what was received. And although I can well imagine Mr E would think that such a sum would be easy to find, the reality is that large institutions receive (and send out) large numbers of such sized transactions on a daily basis. So identifying such sized payments is actually not as straightforward as might be imagined.

For me to reasonably conclude NBS should be liable it has to have made some sort of mistake or failing here. And I'm not persuaded it has. So this does mean I'm not persuaded that NBS should cover the difference between the original conversion from USD to GBP and the crystallisation of the loss by it being reconverted back to USD when these initial attempts failed.

NBS' offer is to cover exchange losses between 12th April 2021 (when it "*should have*" provided further assistance to enable Mr E to make the payment) to 10th May 2021 when it actually did. I can see during this time there was a lot of contact between Mr E and NBS and

I note that this was cordial throughout. However as NBS has noted it didn't get to the crux of the issue until the 10<sup>th</sup> May when it finally provided the information it should have done. All things considered here I think this offer is fair and reasonable in the round.

Mr E points to the conversion rates he received when the payments were finally successful. However I've considered the evidence he's supplied from Firm C about when it made these transfers which finally did credit the NBS account. I note they are listed as being on the 19<sup>th</sup> and 25<sup>th</sup> May. These being nine and fifteen days after NBS provided Mr E with enough information to resolve the issue. The 10<sup>th</sup> May 2021 was a Monday, so I think Mr E could have initiated the transaction that day or close to it. I accept that Mr E probably had lost some faith in the payment processes he was trying to utilise. However, as throughout, he'd have been aware of the need for a currency exchange here and that such rates do fluctuate. It maybe that there were issues with Firm C here-but NBS can only be held accountable for what it did wrong, not any other party. So it is my current thinking that NBS' offer is fair and reasonable. I do not think NBS should be liable for the £12,780.99 Mr E wants it to pay him. I say this because NBS should only be accountable for errors or failings it has made.

Mr E says the information NBS provided on its statements about such transfers doesn't sufficiently deal with the size of transfer he was trying to make. Mr E was making a substantial transfer here. NBS has a number of obligations in its dealings with such transfers and indeed more broadly. It is obliged to make efforts to minimise fraudulent and illegal transfers. It is given considerable scope in how it does this, how it protects consumers broadly and indeed how it protects itself. It is also the case that it can chose to keep how it meets these obligations between it and its regulatory bodies only and not make public such information in its attempts to minimise fraud and illegality. So although I can well imagine Mr E being frustrated by not receiving full information about how such transfers are monitored and processed by NBS, I don't think it has done anything wrong in not providing all such information. And Mr E should be aware of this when considering the matter.

In response to NBS' offer Mr E notes that there is a significant difference between what NBS is offering and the more than twelve thousand GBP he feels he's lost. I agree that there is a significant difference, but I'm not persuaded NBS should be held accountable for the currency difference entirely. I say this because I'm not persuaded it was at fault at the beginning of that time frame nor for the time period between when NBS informed Mr E of what he needed to know and when the transfers were eventually made. I think it fair that NBS should only be accountable for the time when it was at fault.

Ultimately, as I've described these payments including currency conversions (both successful and unsuccessful) were made by Firm C under Mr E's instructions. I've not seen NBS being on notice of a definite timescale for these to be completed. NBS isn't responsible for Firm C nor the intermediary bank nor Mr E's decisions around his payments and when to make them. So all in all I think NBS' offer as it stands to redress the currency change between 12th April 2021 and 10th May 2021 is fair. I also think it would be unfair of NBS to withdraw such an offer at this stage having made it of its own volition in these particular circumstances.

I've considered the distress and inconvenience of the matter suffered by what NBS did. I can fully see Mr E's arguments about the concern he'd have had when such a large sum was apparently unaccounted for. But I must also remember that there were a number of parties involved here, not just NBS. Similarly I must account for the periods when NBS hadn't done anything wrong. I see NBS has accepted to pay £350 as suggested by the Investigator. I think that's a fair resolution to this facet of this dispute.

*Further arguments*

Mr E has made lengthy and articulate arguments since receiving my provisional decision. However I do not find them persuasive and I'll explain why. But first I should note that had NBS not made the offer it has I think it unlikely my methodology would have led to an award as sizeable as the offer made by NBS. Mr E has the option of declining my decision and continuing this dispute directly with NBS. So he should consider such a step carefully.

Turning to Mr E's points. I'll only deal with his key arguments put forward this time as much has been said before and is covered in my arguments above. So I'm not persuaded that there is much to be gained by my repeating my arguments as set out above.

Mr E says "*At present, NBS have not shown how anyone could transfer more than (a significant cash sum pertinent to this transaction) from Firm C in a single wire transfer. Neither do NBS publish to their customers that there is any upper limit on a wire transfer*".

This is correct and as I said in my provisional decision:

*"It (NBS) is obliged to make efforts to minimise fraudulent and illegal transfers. It is given considerable scope in how it does this, how it protects consumers broadly and indeed how it protects itself. It is also the case that it can chose to keep how it meets these obligations between it and its regulatory bodies only and not make public such information in its attempts to minimise fraud and illegality."* So although as I noted earlier potentially frustrating to Mr E, I'm satisfied this is reasonable and fair in the round.

Mr E refers to "*NBS failure to take reasonable steps to assist me to trace the original transfer*". From what I've seen this isn't the case. As I said in my provisional decision:

*"It had searched for the payment based on parameters in its search based on what Mr E had told it and couldn't find it based on those parameters. It does transpire that NBS had received the money but hadn't been able to identify it as the amount searched for was different to what was received."* So I disagree with Mr E's assertion that NBS didn't take reasonable steps to find the original transfer. It based its search on what Mr E said at that time.

Mr E says "*all the subsequent transfers were forced on me by NBS failings*" and that "*I acted with all despatch*". Again it is clear that the evidence doesn't support this position. As I said in my provisional decision Mr E's chosen dates of later transfers when, in essence, he crystallised an exchange rate loss were "*listed as being on the 19<sup>th</sup> and 25<sup>th</sup> May. These being nine and fifteen days after NBS provided Mr E with enough information to resolve the issue.*" So it is clear that had he (or the bank from where the funds originated) acted earlier or indeed later the exchange rate would have been different to when he decided to make the transaction.

Mr E points towards information he's received from Firm C regarding what information was provided by Firm C when he asked for it in relation to the attempted transaction. Mr E says "*NBS have provided no evidence that the (document code name) sent by Firm C is in error.*" Mr E is referring to a well-known messaging system used often on such transfers. I've considered what NBS received regarding the transaction. And I'm not persuaded NBS has made an error here. And this decision isn't about what Firm C did or didn't do. And I should note that it isn't for NBS to come to conclusions as to what Firm C did either. And I think Mr E's arguments here are unpersuasive based on the evidence I've seen. I should further add that for a variety of reasons I can well understand Mr E's frustration, but the reality of the situation is very complex how such transfers work and how they work between the number of parties and processes involved here.

Mr E says the information provided on 10 May was insufficient to proceed with making a successful transfer. Mr E seems to rely heavily on what Firm C told him at that time. I'm satisfied that based on what NBS told him he could have made a successful transaction at that time. And NBS isn't liable for what Firm C says. I should also note as I've explained

earlier this offer more than fair to my mind. And this point is somewhat moot as in any event Mr E then made transfers of smaller amounts which he could have done on 10 May based on what he then knew.

Mr E makes the point that he doesn't know the precise amount of the offer being made. He makes the point that the exchange rate Firm C would have used isn't public knowledge and he cannot assess it. This service has been in contact with Firm C and it has provided the exchange rates it provided on the relevant days on transactions of similar quantum. I'm satisfied this information is a fair way of assessing what Mr E would have got in terms of exchange rate on those days. This information has been provided to Mr E and NBS. And ultimately it is worth bearing in mind that the exchange rate transactions were entirely done and reversed by Firm C without any direct involvement by NBS and were not directly part of the transactions which NBS received at any point. All transactions sent to NBS were in GBP. And NBS were not involved in any foreign exchange conversion transactions in this case.

### **Putting things right**

Accordingly it is my decision that this complaint should succeed and NBS offer is fair and thus it should complete this offer using Firm C's USD GBP exchange rates (supplied to it by this service) between 12<sup>th</sup> April 2021 and 10<sup>th</sup> May 2021 to calculate the offer to be made on the \$466,228.05 Mr E held at the beginning of this period that NBS is to pay. NBS should also pay £350 to Mr E and Mrs E's account to cover the distress and inconvenience caused as it agreed.

Mr E is at liberty to not accept this decision and not be bound by it. But this decision does bring to a conclusion this service's involvement in this dispute.

### **My final decision**

For the reasons set out above, I uphold this complaint against Nationwide Building Society and direct it to settle the matter as I've described above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs E and Mr E to accept or reject my decision before 8 February 2023.

Rod Glyn-Thomas  
**Ombudsman**