

The complaint

Ms B complains about the way National Westminster Bank Plc (NatWest) handled international transfer requests she made.

What happened

The background to this complaint and my initial conclusions were set out in my provisional decision. I said:

Ms B called NatWest on 22 August 2022 to arrange an international transfer of £280,000. Ms B asked about arrangements for completing the transfer and the agent advised a CHAPS payment could be arranged. Ms B provided the destination account details and a reference. The agent explained that to complete the transfer, their manager would call the following day. The agent said:

“What’s going to happen. Because of the time today, we’ll have to get my manager to sort this out. She’ll give you a call tomorrow to get it fully finalised. What I can do to make it easier for yourself is I can set you up with our highest level of security. It’s called Voice ID. So when she does call you back, you don’t have to go back through anything – it identifies you by your voice. You can change your mind at any time. Are you happy for me to set this up for you now?”

Later in the call, the agent advised Ms B may receive a text message with a link to complete an online identification process. The agent said:

“You may also receive a form later, just fill that form out for me as well. It’s just to identify yourself a little bit further. It’s nothing to worry about. It’ll come as a text to your phone and you just click the link to it.”

The call ended with the agent making the following point:

“I’m going to pass these details on to my manager. She’ll give you call a tomorrow. Just to let you know her name is X. And she’ll give you a call back tomorrow referencing all this. She’ll confirm the details with you once more and get that done for you.”

Ms B has confirmed that no call back was received and she contacted NatWest in the days that followed on several occasions to try and chase up the transfer. Ms B’s explained she was given details on how to raise a complaint on 25 August 2022. But no call back was received from the manager as promised by the agent she spoke with on 22 August 2022.

Ms B’s also confirmed that no text message was received from NatWest either. NatWest has supplied a note from 27 August 2022 that says someone tried to call Ms B but was unable to get through. The note says the online identification process hadn’t been completed and the transfer was declined.

NatWest issued a final response on 1 September 2022 and offered £70 to apologise and £23 in respect of the fee she was charged. The final response said that arrangements to complete another online identification process had been made as well.

On 1 September 2022 another transfer request for £280,000 was made. The online identification text message was received by Ms B and completed the following day. On 5 September 2022 the transfer request was picked up by NatWest for fraud checks. At this point, the funds remained available for use in Ms B's account. The fraud review was completed at some point on 7 September 2022.

Ms B's explained that as no progress appeared to have been made with her transfer request and she urgently needed to move her funds to the destination account, she started making Faster Payments of £10,000 on 7 September 2022. Ms B made three Faster Payments for £10,000 in the days that followed. As a result, when NatWest tried to complete the £280,000 transfer there were insufficient funds in Ms B's account and it was declined.

On 13 September 2022 NatWest agreed to arrange another transfer for the remaining £250,000. The transfer was processed on 14 September 2022 and was completed on 20 September 2022.

Ms B's explained that as a result of the problems experienced and delays, the foreign exchange rates moved. As a result, Ms B received around €10,000 less when her funds were converted.

Ms B referred her complaint to this service and it was passed to an investigator. They increased the compensation for the distress and inconvenience caused to £150. Ms B asked to appeal, so her complaint has been passed to me to make a decision.

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.

I recently asked our investigator to contact both parties for further information. I wanted to look into the circumstances of the first transfer that was attempted on 22 August 2022 and the information Ms B was given during the call she had with NatWest. I've now been able to listen to the call and have quoted the relevant sections above. As I've noted, during the call the agent told Ms B the transfer had to be approved by their manager. To that end, the agent checked Ms B's telephone number, gave the name of their manager and advised they'd call the following day (23 August 2022) to authorise the transfer. The agent also said Ms B may get a text message with a link. But they advised the text message was nothing to worry about.

I'm concerned that there's no evidence of any call being made by the manager, as promised, on 23 August 2022. I've specifically asked NatWest to supply evidence that shows its attempts to contact Ms B following her call on 22 August 2022. But the only evidence supplied is a note from 27 August 2022 that says someone tried to call Ms B and the online identification process had failed. Ms B has confirmed no call was made to her as expected so she called NatWest several times over the following days and ultimately chose to raise a complaint. I'm satisfied there's nothing to show Ms B was contacted by the manager to authorise the payment as promised by the agent when the transfer was instructed.

I also asked NatWest to supply evidence its online identification text message was sent to Ms B. NatWest hasn't supplied anything from its systems that shows it sent a text message to Ms B with an online identification instruction. And Ms B has told us no text message of

that nature was received either. I think it's reasonable to note that the agent Ms B spoke with said a text message may be sent, not would be sent. And I'm satisfied that when Ms B didn't receive contact from the manager as promised, she tried to speak with NatWest in the following days.

In my view, NatWest has failed to show it followed up with Ms B with either the call from a manager or send the online identification text message. Both steps appear to have been required to complete the transfer. I also think it's fair to say that the agent failed to make the requirement to complete the online identification process sufficiently clear to Ms B. Instead of advising the transfer would be declined if the online identification process wasn't completed, the agent said a text message may be sent and that it was nothing to worry about.

I've considered what would've happened if Ms B had received the manager's call back on 23 August 2022 as promised. In my view, it's most likely that the manager would've been able to walk Ms B through any outstanding issues, like the online identification process, and take steps to authorise the payment. I've reviewed all Ms B's submissions and I'm satisfied she's remained consistent and thorough in her approach to the transfers. I'm satisfied that if the manager's call back had been completed as promised, the transfer for £280,000 would most likely have gone through as planned. In my view, it was failings at NatWest that led to the payment being declined.

As I'm satisfied the 22 August 2022 payment should've gone through, I think that's a fair place to start in terms of deciding whether Ms B suffered a financial loss.

I've looked at the transfer request instructed on 1 September 2022. The online identification process was completed on 2 September 2022 and on 5 September 2022 the transfer was picked up for fraud checks. But Ms B's told us she was advised the transfer would go through on 2 September 2022 and wasn't subsequently notified it had been held for fraud checks. So when the funds were still in her account on 7 September 2022 (the same day the fraud review was completed) Ms B took the decision to carry out Faster Payments for £10,000 (the maximum allowed). I haven't seen anything that shows NatWest told Ms B her transfer had been delayed for fraud checks. And Ms B waited six days from the date of instruction before she took the decision to move funds.

Ms B's explained she needed to move the money with some urgency and I'm satisfied that, in the absence of guidance from NatWest, she made a reasonable decision to use an alternative method of transfer. It's a shame that the £280,000 payment was released for processing by the fraud team on the same day. As a result of the Faster Payments Ms B made, by the time the £280,000 transfer was cleared there were insufficient funds available. Again, in my view, a lack of clear guidance and communication by NatWest was ultimately responsible for the second £280,000 transfer being declined.

By the time a payment was successfully transferred via CHAPS it was 20 September 2022, around a month after the first instruction was given. By this time, foreign exchange rates had shifted and the euro was stronger against sterling. Ms B's told us that, as a result, she received substantially less back when her sterling was converted to euros. For the reasons I've given above, I think the delay was down to the way NatWest handled the various transfers attempted. And, on balance, I'm satisfied that if NatWest had followed through on the promise for a manager to call on 23 August 2022 the transfer would most likely have gone through as planned.

I don't think it's fair for Ms B to lose out on the exchange rate that she received. So unless I see new evidence that changes my mind, I intend to tell NatWest to compensate Ms B for the difference between the exchange rate she would've received if the 22 August 2022

transfer had completed and the exchange rate she did receive when the remaining funds were finally sent on 20 September 2022.

In response to this provisional decision, Ms B should provide evidence to show the exchange rate that would've been used if the transfer had gone through on 22 August 2022 and what she ultimately received when the funds were converted to euros.

In addition to the above, I'm satisfied the way the transfers were handled caused a substantial level of distress and inconvenience to Ms B over a sustained period. So I also intend to award Ms B £350 in respect of the distress and inconvenience caused.

Following my provisional decision, Ms B responded and confirmed she was willing to proceed. I looked back over the available information on file and found the faster payments Ms B sent for £10,000 had been converted to euros by NatWest before being sent to her bank. But the £250,000 transfer was sent in sterling by NatWest and converted by Ms B's bank to euros on receipt.

A final loss figure of £5,446.33 was calculated, representing the difference between what Ms B would've got if the transfer and currency conversion had gone through on 22 August 2022 and what she subsequently received when all the transfers were converted and paid to her other account.

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 now agreed the loss figure as set out above I'm satisfied we've reached a fair resolution in Ms B's case. In addition to the above £5,446.33 NatWest is also required to pay Ms B £350 for the distress and inconvenience caused. That means the final settlement, taking all elements of Ms B's case into account, is £5,796.33. I'm satisfied a payment of £5,796.33 is a fair and reasonable way to resolve Ms B's complaint and recognises both her financial loss and the distress and inconvenience caused.

My final decision

My decision is that I uphold Ms B's complaint and direct National Westminster Bank Plc to pay £5,446.33 in respect of her losses plus £350 for the distress and inconvenience caused.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 21 April 2023.

Marco Manente
Ombudsman