

## **The complaint**

Mr K complains that Nationwide Building Society delayed in making an international transfer which caused him to lose a property he was purchasing, and when the funds were returned to him they were less than he had sent. He says he also received poor service.

## **What happened**

Mr K tried to transfer £112,000 from his Nationwide account to his father overseas to purchase a property.

He made the payment in branch by swift transfer on 9 August 2021. The funds didn't reach his father.

Mr K spent a lot of time chasing Nationwide and trying to find out what had happened, he responded to all of the queries that were raised with him by Nationwide, but the funds were eventually returned to his account without explanation on 13 October 2021. When they were returned, due to the currency exchange, they were £4378.74 less than the sum that was sent.

Nationwide issued a final response on 12 September. They said that they weren't responsible for any issues with the delay to the payment being made as they had no control over the payment once it had left the country.

Mr K was unhappy with this response and brought the complaint to us. He said he has lost £4378.74 in exchange of currency, £5600 as a non-completion penalty, and his deposit of £18000. He also feels that his father has been inconvenienced and should be compensated. One of our investigators looked into it and he didn't think Nationwide had done anything wrong.

Mr K disagreed with our investigator's view and asked for an ombudsman's decision, so it came to me to review.

I issued a provisional decision on the complaint. My provisional findings were as follows:

### ***The failed transaction***

*Nationwide use a UK intermediary bank to make their international transfers and so they forwarded Mr K's funds for transfer to them. The intermediary stopped the payment for compliance checks which it sent to Nationwide on 12 August.*

*These were completed by Nationwide and sent to the intermediary on 16 August and the payment was released by the intermediary bank on 24 August to the overseas intermediary bank.*

*On 23 August, Mr K first raised a complaint with Nationwide about the delay in his father receiving the payment. Although at this point there had been some delay, I don't consider*

*that this is unusual in these sorts of transactions, and Nationwide had complied with the intermediary's queries up to this point in a timely manner.*

*However, what happened after that appears to be less clear. I have seen evidence that on 13 September, the overseas intermediary bank returned the funds to the UK intermediary bank and cancelled the transfer. They told Mr K that it was because they hadn't received a response to queries they had raised with the UK bank.*

*So, I've tried to establish who was responsible for this failure to provide the information by reviewing all the e mail exchanges provided to me by Nationwide and Mr K. If the fault lies with Nationwide, then I would consider that they are responsible for the failure of the transaction.*

*In the original request for information on 12 August 2021, the intermediary bank said: "Please provide the information requested in the table below. A response is required no later than 4 working days from the date of this email to avoid funds being returned.*

*To submit the additional information, simply:*

- reply (with history) to this email*
- complete all mandatory fields in the table below*
- check and send the email."*

*There were 19 questions, which were all asterixed as mandatory. Nationwide's response populated only 9 of the fields, leaving a number of questions blank, but in particular omitted Mr K's passport number, relationship with the beneficiary, and the purpose of the transaction - which I would have thought was the most important question from a money laundering check point of view.*

*On 31 August Nationwide asked Mr K for some more information about the transaction, and he responded the same day with the requested information.*

*On 9 September, the UK intermediary bank again asked Nationwide for some information. They said that the payment was being held, and they needed further information about the originator, including his full name and address, date and place of birth, nationality, passport number, and father's name. It said that a response was needed no later than 0 working days – which I assume to mean it needs an immediate response.*

*Nationwide responded 6 days later on 15 September, two days after the funds were sent back to the UK intermediary.*

*Nationwide and the UK intermediary bank have been unable to provide me with their exchanges with the overseas intermediary, but I'm satisfied that the UK intermediary wouldn't have been asking questions on 9 September if they hadn't come from the overseas intermediary given that they no longer held the funds in the UK.*

*I'm also satisfied that Nationwide had previously been asked for some of this information in August and had failed to provide it, and that when requested in September they failed to provide it as quickly as they should have. Nationwide have accepted in their correspondence to me that they didn't provide it in line with their service level agreement of 2 days. So, on balance, I think the fault for the failure of this transaction lies with Nationwide, as if they had complied with the information requests properly, and in time, the funds would most likely have reached their destination.*

*Following the failure of the transaction, Nationwide accepted the funds back on 23 September, agreeing to a loss on return due to the exchange rate.*

*Mr K wasn't made aware of this, and on 1 October, Nationwide raised further queries with Mr K about the purpose of the funds. They said that these queries had been raised by the beneficiary and intermediary banks. Mr K replied on 5 October but then on 9 October he was told that the funds had been returned by the overseas bank several weeks previously due to "no response received from the ordering bank".*

*In view of my findings above, I propose to direct Nationwide to award Mr K the loss he incurred on the return of the funds.*

*I note that Mr K has also advised that he suffered consequential losses because he was unable to complete the purchase of a house, losing his deposit and a non-completion penalty. However, I haven't seen any evidence of this, and so I'm not able to make that award.*

### **Poor service**

*I can see that Mr K was chasing Nationwide for information on the progress of the transaction from around 23 August. He responded promptly to all requests for information, but he received no updates. He went into the branch several times following his father visiting the receiving bank and finding out there was no progress, and became quite frustrated by the process and the lack of information.*

*As I have said above, Nationwide failed to request information until it was too late, and even after they knew the funds were being returned, they were still asking questions. So, I think the service here fell below the standard that Mr K was entitled to expect, and I am minded to make an award for distress and inconvenience*

In the light of these findings, I therefore intended to uphold Mr K's complaint, and I invited the parties to comment.

### **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.

Nationwide have made no further comment, and Mr K has accepted the decision, although he thinks I should consider increasing the compensation element of my decision. He has also said that he would like to donate the interest element of the proposed award to charity – which is entirely his prerogative.

I've thought about whether to increase the compensation element, but I think that £300 is fair in the circumstances. And so, in light of the above, I'm making my final decision in line with my provisional findings.

### **Putting things right**

In order to put things right Nationwide should:

- Pay Mr K £4378.74 in respect of the loss he incurred on the return of the funds
- Pay Mr K 8% simple interest on that sum from 13 October 2021 to the date of settlement. If Nationwide considers that it's required by HM Revenue & Customs to

deduct income tax from that interest, it should tell Mr K how much it's taken off. It should also give Mr K a tax deduction certificate if he asks for one, so he can reclaim the tax from HM Revenue & Customs if appropriate.

- Pay Mr K £300 for the distress and inconvenience caused by having to repeatedly chase Nationwide to try and find out what was happening and for being provided with little and incorrect information.

### **My final decision**

My decision is that I am upholding Mr K's complaint and direct Nationwide Building Society to put things right as outlined above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 11 July 2023.

Joanne Ward  
**Ombudsman**