

The complaint

Ms B complains that National Westminster Bank Plc made errors with her international payment which resulted in a foreign exchange loss.

What happened

Ms B says that on 13 March 2023 she visited a NatWest branch to make an international transfer. She says she handed the details to the staff, and she asked that the money was transferred from British Pounds Sterling (GBP) to Jamaican Dollar (JMD). Ms B says that the following day she realised the money was converted to the wrong currency, so she rang NatWest on 14 March 2023, and she says she was told she could recall the transaction for a £25 fee, which she did, but her funds were held in a NatWest suspense account.

Ms B says that she tried to send the funds again on 23 March 2023, however, NatWest used the wrong intermediary bank details. She says she spoke to NatWest on 30 March 2023 to re-key the transaction again, but her funds did not reach the beneficiary. The funds were returned to Ms B, but these incurred a foreign exchange loss. Ms B made a complaint to NatWest.

NatWest partially upheld Ms B's complaint. They said the branch confirmed that they acted on Ms B's instruction, and they also provided Ms B with the opportunity to check this before processing the payment. They said the payment was then returned to NatWest because the beneficiary details were incorrect. They said when the payment was returned and it was rekeyed, the only option was to resend the money in United States Dollar (USD).

NatWest said that the only other option was to return the funds back into her account and incur an exchange rate loss. They said that the payment was then sent in USD, and it credited the beneficiary account, but the funds had since been returned back to them. NatWest said that the intermediary bank is chosen by the beneficiary bank and not them, and the payment did reach the beneficiary therefore there were no issues with the payment details it was sent to. They said Ms B received an unhelpful service at the branch and she had to provide details again which wasn't her fault, so they said they credited £80 into her account, and they waived the £25 recall fee. Ms B brought her complaint to our service.

Our investigator partially upheld Ms B's complaint. She said Ms B noticed the funds had been sent in USD when she received a receipt online, so she called NatWest to discuss this on 14 March 2023, and she says she was told the money couldn't be returned to her account. This was likely because the funds were in the process of being sent and had not yet been returned to the bank. The funds were returned to the bank on 17 March 2023 where they remained in USD.

Our investigator said that Ms B requested the funds to be returned to her account on 20 March 2023 as she felt NatWest had made several errors, but this would come at a loss of £1,288.10 after conversion to GBP, so Ms B sent the funds again. NatWest advised the funds hadn't been credited to the beneficiary, as they were unable to locate an account. She said NatWest should refund the £30.50 fee due to errors made in the branch.

Ms B asked for an ombudsman to review her complaint. She made a number of points. In summary, she said the branch were supposed to send the funds in GBP, she said in the first few days after she wanted the money returned, they made it seem it wasn't possible to return it, she said the money was never supposed to enter the overseas country in USD, and that is the main point, which was their mistake.

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.

Firstly, I'm aware that I've only summarised Ms B's complaint points. And I'm not going to respond to every single point made by her. No discourtesy is intended by this. Our rules allow me to take this approach. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

I've looked at the original instruction that the branch processed as Ms B says that the branch were supposed to send the funds in GBP. And I can see that this shows the funds to be sent in USD. I asked NatWest how this would have been authorised, for example whether Ms B would have to sign to make the payment. NatWest confirmed to me that because the payment was made via Chip + Personal Identification Number (PIN), then a pre-receipt of the payment details keyed in by branch staff would have been printed and if Ms B was happy with the details, she would accept them with her PIN on the PIN pad. The final response letter NatWest sent Ms B also shows the branch confirmed they also provided Ms B with an opportunity to check the payment details before processing the payment.

While there is an error in the final response letter regarding the payment being sent in the branch in GBP, I'm satisfied that NatWest's process is for a customer to check the details entered before it is processed. So if the branch staff had made an error and selected USD instead of GBP if they thought the payment was to be made in JMD and it wasn't available for them to select, or if they entered any details which didn't match up with the payment instructions Ms B says she gave the branch staff, then it would be proportionate for Ms B to not enter her PIN to authorise the transfer if the details didn't match what she wanted to be processed. NatWest have provided evidence that the payment was authorised by Chip + PIN by Ms B.

Ms B says she saw her receipt on the app the following day which showed the wrong currency, so she rung NatWest, but they told her she could not get the money back into her account. This is likely because the funds appear to have left NatWest already and was on route. I know Ms B has said that the wrong intermediary bank was used, but there can be different banks which are involved in a transfer, and sometimes different banks may need to be involved if there are different currencies being sent.

I don't think different intermediary bank details were at fault for the payment being returned, this is because they notified NatWest that the reason for the return was *"INVALID BENE DETAILS"* and the beneficiary bank were unable to apply the payment. If this was routed through an intermediary which shouldn't have been involved in the transfer, then I'm not persuaded that the funds would have reached as far as they did and that they wouldn't have received an invalid beneficiary details message.

As a result the funds were returned to NatWest. As Ms B would have a foreign exchange loss, the payment was attempted again. Ms B authorised this and she signed a form to amend the payment. But the funds were returned again with the message *"UNKNOWN"*

ACCOUNT-WITH INSTITON". So again, as the funds were returned because the beneficiary bank did not recognise the beneficiary account details, the funds were unable to be applied, so they were returned. Ms B then agreed to have the funds credited to her account, and she incurred a foreign exchange loss.

I know Ms B wants the foreign exchange loss to be refunded to her. But it would not be proportionate for me to ask NatWest to do this as she authorised the original payment via her PIN, even though this was in a different currency to what she says she asked NatWest to send, and the branch confirmed that they provided her with an opportunity to check this before processing the payment. She agreed for the funds to be resent after being made aware of the foreign exchange loss, and she asked for the funds to be credited to her account when these were returned again, and she was aware that she would incur a foreign exchange loss for doing this.

But NatWest have also confirmed that Ms B received an unhelpful service at the branch, and she had to provide details again which wasn't her fault. They waived the £25 investigation fee Ms B paid incurred and they awarded her £80 compensation for distress and inconvenience. Our investigator felt NatWest should also refund Ms B the initial transfer fee and NatWest have agreed to her view regarding this. So I'm also persuaded that it would be fair for NatWest to refund the £30.50 in fees they charged her, but it follows I don't require them to do anything further.

Putting things right

Our investigator suggested that NatWest refunds Ms B the £30.50 in fees they charged her, which I think is reasonable in the circumstances.

My final decision

I uphold this complaint in part. National Westminster Bank Plc should refund the £30.50 in fees they charged her.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms B to accept or reject my decision before 22 December 2023.

Gregory Sloanes
Ombudsman