

## **The complaint**

Miss H is unhappy with several aspects of the service she received from The Royal Bank of Scotland Plc ("RBS") surrounding an international transfer she instructed them to make.

## **What happened**

In July 2022, Miss H instructed a transfer of £40,000 from her RBS account to her daughters account held with an overseas bank in the European country in which her daughter lived. The money wasn't received by her daughter, and Miss H learned that this was because her daughter's overseas account couldn't receive payments of more than 25,000 Euros per day. Miss H therefore asked RBS to make the transfer in instalments over separate days, which RBS agreed to do.

Over the next several weeks, with the money not having been received by her daughter, Miss H rang RBS on many occasions but received no explanation as to why the payment remained outstanding or when it would be processed by RBS. In Mid-August, over five weeks after Miss H has asked RBS to process the payment in two halves, she was told that the first of the two instalments had been processed by RBS. But following this, Miss H's daughter still didn't receive the money.

A further five weeks passed without either of the two instalments being received by Miss H's daughter, at which time Miss H called RBS and asked them to cancel the transfer as her daughter now needed the money urgently such that Miss H felt it necessary to complete the transfer via alternative, more expensive means. Miss H wasn't happy about the service she'd received from RBS regarding the transfer, so she raised a complaint.

Miss H was later contacted by RBS who told Miss H that if the transfer was now cancelled as she'd requested and the money recalled, the amount received back to her account would be about £1,600 less than the original £40,000 amount because of changes in currency exchange rates. Miss H wasn't happy about this and asked RBS to continue with the transfer in two instalments as previously requested to avoid the exchange rate loss.

Shortly afterwards, RBS responded to Miss H's complaint and explained that they felt that they'd followed the correct process regarding Miss H's request for the transfer to be sent in two instalments and so didn't feel that they'd acted unfairly towards Miss H in that regard and so didn't accept any responsibility for the £1,622.29 currency loss Miss H would have incurred from the returned funds being converted back from Euros to British Sterling.

However, RBS did acknowledge that there had been an unreasonable delay in attempting to make the payment in two instalments as Miss H had requested, and they apologised for this and made a payment of £70 to her as compensation for any upset or inconvenience this may have caused, as well as a further £10.80 payment in reimbursement of any call costs Miss H may have incurred in this regard.

Miss H contacted RBS as she wasn't happy with their response to her complaint, especially as the two instalments still hadn't been received by her daughter following her confirmation to RBS that she wanted them to proceed with the transfer on that basis. At that time, it was

suggested to Miss H that her daughter could open a new account with another bank which was more suited to the type of international transfer Miss H's daughter was trying to receive. Miss H's daughter opened an account with the other bank as suggested, and Miss H then asked RBS to transfer the full £40,000 to this new overseas account.

A further two months passed before Miss H's daughter confirmed that she had received one of the two £20,000 instalments into her new account from RBS. Frustrated and unhappy with how matters had progressed, and with £20,000 still having not been received by her daughter after more than five months had passed since her initial transfer instruction to RBS, Miss H referred her complaint to this service.

One of our investigators looked this complaint. But they felt that the response to Miss H's complaint already issued by RBS – including the explanation of what had happened and the payment of compensation and costs totalling £80.80 – already represented a fair outcome to what had happened. Miss H remained dissatisfied, so the matter was escalated to an ombudsman for a final decision.

### **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 issued a provisional decision on this complaint on 11 July 2023 as follows:

*It's now understood that Miss H's daughter has received the second if the two instalments from RBS, which was processed by RBS on 29 November 2022 and received by Miss H's daughter that same day.*

*As such, the two instalments processed by RBS to Miss H's daughter are as follows:*

*22 September 2022: EUR 20,553.55*

*29 November 2022: EUR 25,000.00*

*I'm satisfied from the information provided to this service that the combined amount of these two instalments - £45,553.55 – is equal to the amount Miss H's daughter would have received, had the instalment payments being processed in a timely manner when Miss H first requested them to be made.*

*But the question remains as to why, given that RBS first agreed to send the two instalments to Miss H's daughter in mid-July 2022, it took over two months for the first of the two instalments to be processed by RBS, and then a further two months for the second instalment to be processed.*

*Accordingly, I've carefully considered the timeline of events provided by Miss H as well as the system notes provided by RBS, and in particular the memo notes from their foreign transfer team. And having done so I've arrived at the following conclusions as to what I feel is most likely to have happened.*

*Miss H has explained that, after the initial transfer attempt for the full £40,000 was declined by the recipient overseas bank, she spoke with her daughter who went into her bank on 11 July 2022 and relayed back to Miss H that the reason the transfer had been declined was because her account could only receive a maximum of 25,000 Euros per day. And Miss H has also explained that she then spoke with RBS that same day and advised them of the 25,000 Euro per day limit and asked RBS to complete the transactions in two instalments.*

*RBS have provided the telephone calls where Miss H advised them of the Euro transfer limit, and I've listened to these calls. And it's notable that when Miss H speaks with the correct department regarding the transfer and asks them to complete it in two instalments that she informs RBS's agent that the transfer limit for the overseas receiving bank is 28,000 Euros - not 25,000 Euros – and that she asks the agent to process the first instalment at 28,000 Euros with the remaining amount to be sent as the second instalment.*

*RBS have record of the phone call referred to above taking place on 14 July 2022, following an earlier phone call on 11 July 2022 at which time Miss H couldn't be put through to the appropriate team. And on the telephone call of 14 July, Miss H was told by RBS's agent that the requested first instalment would be keyed and processed within the next few days. However, it's clear from RBS's own notes that this payment wasn't attempted until 29 July 2022 – over two weeks after Miss H instructed it.*

*The attempted £28,000 Euro payment was rejected by the overseas recipient bank the same day it was attempted, and I feel it's likely that this was because it was attempted for an amount which was above the transfer limit the recipient account could accept. And while I feel that Miss H must bear some responsibility for what happened for providing the 28,000 Euro instruction to RBS, I also feel that RBS should fairly be considered responsible for the delay in implementing Miss H's instruction as described above.*

*Additionally, following the failed payment attempt, RBS don't appear to have acted to resolve the issue for a further two weeks. And this is despite Miss H contacting them on 21 and 28 July, and on 8, 12, and 17 August, and on all occasions speaking with RBS agents who couldn't explain to her what had happened to the attempted 28,000 Euro payment or what was going to happen moving forwards.*

*On 18 August 2022, RBS note that they became aware that the daily transfer limit for the overseas recipient bank was 25,000 Euros, and they attempted two transfers over the next few days for 25,000 Euros and for 20,553 Euros – the remaining balance – respectively. However, the second of these payments was returned by the overseas recipient bank on 22 August 2022 without explanation, while the status of the first payment remained unknown.*

*RBS's notes confirm that they chased the overseas recipient bank as to the status of the first payment and why the second payment had been returned, but that they received no response. This seems reasonable to me, given that RBS sent the payments in line with the daily transfer limit of the overseas bank and given that I'm satisfied that RBS initially acted quickly to try to resolve the issue once it was understood that neither instalment had been received by Miss H's daughter.*

*On 24 August 2022, Miss H contacted RBS and asked them to cancel the transaction and to return the money to her RBS account. RBS didn't initially respond to Miss H's request, which led Miss H to chase the matter with them on 30 August 2022, at which time she was told that because currency exchange rates had moved against her since when she first instructed the transfer – at which time the money had been converted into Euros – she would likely receive approximately £1,600 less into her UK account, following the conversation back to sterling.*

*Miss H initially accepted the currency exchange loss, but after a further conversation with RBS on 7 September 2022 decided against it and asked RBS to continue to try to process the transfer. Miss H notes that on the 7 September call, the RBS agent she spoke with was particularly helpful and suggested that Miss H or her daughter could open a new account with a third-party UK bank which was affiliated with the overseas recipient bank so that the money could be transferred from RBS to that new account and then onwards to the overseas recipient bank.*

*Miss H has confirmed that she acted on this suggestion and RBS note that on 12 September 2022 they were provided by Miss H with details of a new UK account to which to transfer the money. RBS's notes also indicate that the new UK account was a GBP account, and that Miss H accepted the currency exchange loss that would result from the Euros being converted to sterling upon transfer to the new UK account at that time. Following this, RBS's notes explain that they requested the IBAN from Miss H to enable the transfer to be completed, and that Miss H provided this information to them on 16 September 2022. And Miss H's own testimony confirms this date.*

*RBS then made a payment to the new UK account on 22 September 2022 – almost a week after receiving the IBAN from Miss H. And given the lengthy delays that had already occurred here, it's unclear why RBS took so long to process this payment.*

*Additionally, while this payment was successfully received by Miss H's daughter, RBS only transferred an amount relating to the second of the two instalments that they'd attempted to the overseas bank previously – because the status of the first attempted payment still hadn't been resolved. RBS's notes indicate that they'd chased the status of this first payment with the overseas bank on 23 and 25 August 2022 – approximately a month prior to the processing of the payment to the new UK bank account – but not since those dates. It's not clear why this matter wasn't chased by RBS with the overseas bank after 25 August 2022.*

*It now transpires that the overseas bank had returned the 25,000 Euros to RBS on 30 August 2022 but had done so without including a reference number which would have allowed RBS to easily identify which of their customers the returned funds belonged to. As such, the returned money was held in a suspense account by RBS, pending identification of the specific customer account to which it needed to be returned.*

*RBS have said that they weren't made aware by Miss H that the 25,000 Euro payment hadn't been successfully received by her daughter when it was attempted. But I don't accept RBS's position here for several reasons, including that Miss H chased this outstanding payment with RBS on several occasions and that RBS themselves chased the status of the payment with the overseas bank as explained above. RBS received no response to this chase, and certainly no response which would indicate that it had completed. Finally, given that the smaller, second instalment was returned by the overseas bank, I feel it stands to reason that the larger, first instalment would most likely also have been unsuccessful.*

*Miss H has explained that due to family events, she didn't chase this outstanding 25,000 Euros with RBS until 22 November 2022. And because RBS were acting on the unreasonable assumption that the 25,000 Euros weren't still outstanding, as described above, they didn't investigate the status of that missing money during this time either.*

*After being informed by Miss H that 25,000 Euros remained outstanding, RBS were able to locate the missing money and processed a transfer to the new UK account on 28 November 2022 which was received by Miss H's daughter. And given that I don't feel that it was reasonable for RBS to have not chased the status of this money sooner, I do feel that they should reasonably bear some responsibility for the significant delay in Miss H's requested transfer being completed.*

*Given the events described above, it's clear that both Miss H and RBS have contributed to what happened here. And I note that after Miss H first instructed the single payment transfer in July 2022, she initially gave RBS incorrect information about the daily transfer amount limit which led to some delays. And I also note that Miss H didn't chase the status of the missing 25,000 Euro payment for approximately two months, between 22 September 2022 and 22 November 2022, albeit for family reasons.*

*I also feel that the lack of communication from the overseas bank has played a role in why Miss H's intended transfer didn't go smoothly. And this is not only because the overseas bank consistently failed to reply to RBS's communication attempts and returned the 25,000 Euros to RBS without a reference number as would reasonably be expected, but also because when RBS did attempt the two instalments in accordance with the 25,000 Euro daily transfer limit, those transfers were rejected by the overseas bank without explanation.*

*As such, I feel that, even if Miss H had provided the correct daily transfer limit amount to RBS in the first instance, it's unlikely that any transfer attempted at that time in accordance with that limit would have been successful.*

*But I do feel that there are several instances where RBS have either provided a poor standard of service to Miss H or unnecessarily delayed matters here. These include that RBS received instructions from Miss H to send the payment in two instalments on 14 July 2022 but didn't attempt the first instalment until 29 July 2022, and that RBS failed to chase the status of the missing 25,000 Euros for several months. Additionally, I feel that the lack of information that Miss H received when calling RBS about the uncompleted transfer throughout late July and August 2022 did cause Miss H an unnecessary and avoidable degree of worry and frustration.*

*I note that RBS have made a payment of £70 compensation to Miss H, as per their complaint response, in consideration of what happened. But that complaint response was issued by RBS on 1 September 2022 – approximately three months before this matter was finally resolved by the completion of the second transfer to the new UK bank account – and as such I don't feel that it does provide fair compensation to Miss H for what happened here.*

*Because of this, and in consideration of the significant trouble and upset that Miss H has incurred here, and the general framework which this service uses when considering compensation amounts for upset and inconvenience – details of which can be found on this service's website – my provisional decision is that I'll be upholding this complaint against RBS and instructing RBS to pay a further £500 compensation to Miss H.*

*Finally, I feel that RBS should reasonably have chased the status of the outstanding 25,000 Euros following the lack of response about the matter from the overseas bank in late August 2022. And I feel that if RBS had chased this matter the return of the money by the overseas bank on 30 August most likely would have been discovered in time for it to have been transferred at the same time as the successful 22 September 2022 payment to the new UK bank account.*

*It follows that I feel that Miss H's daughter was unfairly denied access to these funds during that period, and so my provisional instructions will also include that RBS must make a payment to Miss H equivalent to 8% interest on 25,000 Euros calculated for the 68 days that the funds weren't available to Miss H's daughter – 22 September to 29 November 2022.*

*In my provisional decision letter, I gave both Miss H and RBS the opportunity to respond and provide any comments or new information they might wish me to consider before I moved to a final decision. Miss H responded to my provisional decision and confirmed that she was happy to accept it, whereas RBS did not respond.*

*As such, I see no reason not to issue a final decision upholding this complaint in Miss H's favour on the basis explained above. And I therefore confirm that I do uphold this complaint in Miss H's favour on that basis accordingly.*

### **Putting things right**

RBS must make a payment to Miss H equivalent to 8% interest on 25,000 Euros calculated for the 68 days that the funds weren't available to Miss H's daughter – 22 September to 29 November 2022.

RBS should contact Miss H about this payment. And if the payment is to be made in GBP, RBS should use the most beneficial historical currency exchange rate that would have been available to Miss H during that 68-day period, if that rate is more beneficial to Miss H than the present currency exchange rate.

RBS must also make a payment of £500 to Miss H.

### **My final decision**

My final decision is that I uphold this complaint against The Royal Bank of Scotland Plc on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss H to accept or reject my decision before 6 September 2023.

Paul Cooper  
**Ombudsman**