

The complaint

Mrs A is unhappy that Sterling Currency Exchange Limited haven't reimbursed a £15,000 transfer to her that was returned by the recipient.

What happened

To briefly summarise. Mrs A instructed Sterling to transfer £100,000 to an overseas recipient. The recipient returned the money that was transferred to them in five tranches, but Sterling only reimbursed four of these tranches to Mrs A, with a tranche of £15,000 remaining outstanding. Mrs A wasn't happy about this, so she raised a complaint.

Sterling responded and explained that they'd processed the transfer via an intermediary, and that the intermediary hadn't received the £15,000 missing tranche from the recipient. Mrs A wasn't satisfied with Sterling's response, so she referred her complaint to this service.

One of our investigators looked at this complaint. They felt that the overseas recipient had been able to demonstrate that the missing £15,000 had been returned, and that therefore the issue was likely with the intermediary that Sterling had used.

Our investigator felt that Sterling was responsible for the actions of their intermediary. So, they recommended that this complaint be upheld, and that Sterling should reimburse the £15,000 to Mrs A along with 8% simple interest. And our investigator also said that Sterling should make a further payment of £200 to Mrs A as compensation for the trouble and upset that she'd incurred. Sterling didn't agree with the view of this complaint put forwards by our investigator, 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 2 October 2023 as follows:

I'm satisfied from the information that Mrs A has provided to this service that the overseas recipient has returned the missing £15,000 as they claim to have done, and I note that Mrs A has obtained this information having chased the matter with the overseas recipient directly.

Accordingly, I'm satisfied that the most likely scenario here is that Mrs A's money has been received by the intermediary appointed by Sterling to facilitate the transfer.

Given that it's my understanding that it's Sterling who hold a relationship with this intermediary – having appointed them to facilitate the transfer – I'm consequently satisfied at this time that it's the responsibility of Sterling to liaise with the intermediary and recover the £15,000.

But Sterling haven't done this, and I don't feel that it's fair for Mrs A to have been deprived of her money for the length of time that she has been here. Accordingly, my provisional

decision is that I uphold this complaint in Mrs A's favour and that Sterling must reimburse the £15,000 to Mrs A along with 8% simple interest on that amount, calculated from the date that the other returned tranches were reimbursed to Mrs A to the date that Sterling pay the missing £15,000 to Mrs A.

Additionally, Sterling must also make a further payment of £400 to Mrs A as compensation for the upset and inconvenience that she's clearly experienced here. In arriving at this amount, I've considered the trouble and worry that this matter has caused Mrs A, as well as what I feel has been a lack of urgency and responsibility from Sterling in their actions and their communication with Mrs A about this matter. And taking these factors into account, I feel that £400 is a fair compensation amount.

In my provisional decision letter, I gave both Mrs A and Sterling the opportunity to provide any comments or new information they might wish me to consider before I moved to issue a final decision. Mrs A confirmed she was happy to accept my provisional decision, whereas Sterling did not respond.

As such, I see no reason not to issue a final decision here whereby I uphold this complaint in Mrs A's favour as per my provisional decision above. And I therefore confirm that I do uphold this complaint in Mrs A's favour on that basis accordingly.

Putting things right

Sterling must make a payment of £15,000 to Mrs A along with 8% simple interest on that amount, calculated from the date that the other returned tranches were reimbursed to Mrs A to the date that Sterling make the £15,000 payment to her.

Sterling must also make a further payment of £400 to Mrs A.

My final decision

My final decision is that I uphold this complaint against Sterling Currency Exchange Limited on the basis explained above.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs A to accept or reject my decision before 14 November 2023.

Paul Cooper
Ombudsman