

The complaint

Ms G complains that Citibank UK Limited ("Citibank") took nearly 28 days to complete a transfer from her account, causing her distress, inconvenience and financial loss.

What happened

On around 2 September 2022, Ms G attempted to transfer funds from her Citibank account to an overseas account she holds with another bank, which I'll call C. The money didn't arrive within the timescale Ms G was expecting, so she called Citibank. She says she called numerous times to find out what was happening. By 14 September, the money still hadn't reached C, so Ms G raised a complaint with Citibank.

Citibank said it had received confirmation from C that they hadn't received the funds. It said it had contacted the relevant team to find out the status of the funds but couldn't commit to a timescale for obtaining this information. It said it would contact Ms G when it received an answer. Citibank acknowledged that Ms G was experiencing a delay. But it didn't uphold the complaint as it said it had operated in line with its processes.

The payment reached C on 30 September. Ms G was very unhappy that it had taken so long. She asked Citibank for compensation. Citibank acknowledged that the payment was very important to her and apologised for any inconvenience caused. But it said there were no unnecessary delays in carrying out her payment request. It offered her £50 as a gesture of goodwill, which it later increased to £100. I understand that this hasn't been paid to date as Ms G didn't accept the offer.

Ms G asked this service to look at the complaint. She says that, when she confirmed her payment instructions to Citibank, its agent told her that the funds would reach C within three to five working days. But it took much longer than this and Ms G says she had to keep chasing Citibank for updates. She says the situation was very distressing as she was transferring a large sum of money and didn't know what had happened to it.

Ms G says she also suffered financially as a result of the delay. She transferred the funds in Sterling. But, soon afterwards, she converted them into another currency. As the funds didn't reach C until 30 September, Ms G says the earliest she was able to convert them was 4 October. She says that, by this date, the exchange rate was less favourable than it had been when she gave the transfer instruction. As a result, she says she decided to convert only half the funds, to minimise her loss. She says she has suffered a loss in the region of £4,000 - £9,000 as a result of the delay and wants to be compensated accordingly.

I issued a provisional decision on 25 October, indicating my intention to uphold the complaint and award Ms G compensation of £300. Citibank accepted my provisional findings. But Ms G felt that the compensation was too little for the very poor way in which she says Citibank handled her case. She says that Citibank made a mistake in processing her instruction and didn't act promptly to correct it, causing her stress, panic and pain. She says that Citibank has subsequently closed her account and she believes this is in retaliation for her bringing this complaint. She provided some further information for me to consider.

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've taken account of Ms G's latest comments and thought about everything again. I'm sorry to disappoint Ms G, but I haven't changed my mind about what I think is a fair outcome to this complaint. My reasons are set out below.

The terms and conditions of Ms G's account say that Citibank will make sure payments reach the recipient's account no later than the time indicated in its Rates and Charges Information document. This document says that, for Swift payments sent outside the UK (as was the case here), execution times will depend on the destination country. I find that Ms G gave the payment instruction to Citibank on 2 September. She says she was told the payment would reach C within three to five working days. This is line with information on Citibank's website, which says "*Sending money by SWIFT enables you to send money from your Citi UK account to a non-Citi account anywhere in the world in 1-5 working days. The clearance time will depend on the destination and currency of the transfer*".

So, I find that the funds should have reached C by 9 September at the latest and Citibank was responsible for ensuring they did so. But the funds didn't reach C until 30 September.

I'm satisfied that the payment details provided by Ms G were correct. So, from the outset, Citibank had all the information it needed to complete the payment.

I asked Citibank for details of the route the payment took. It's not unusual for banks to use intermediaries to process international transfers. This is because not every bank has a direct business relationship with all other banks in the world. Sometimes another bank (referred to as a correspondent bank) is used to bridge the gap between the paying bank and the receiving bank. Here, there were several parties involved.

Citibank says that the payment was routed through its internal correspondent and then on to an external correspondent bank which I'll call M. But M didn't have a direct relationship with C, so C appointed a correspondent bank as well. Citibank has confirmed that it processed Ms G's transfer on 2 September and sent the funds to M that day.

But the payment seems to have been delayed on the next leg of its journey. Citibank says that the funds were with M until 30 September. It says it has raised a request with M to find out why they held on to the funds. As far as I'm aware, Citibank hasn't received a response from M. From the limited information available to me, it appears that the funds were sent by Citibank to M and held up there. M was acting for Citibank as its agent. I don't think Ms G should be worse off because of any mistakes made by Citibank's agent, if that's what happened here. The evidence here is incomplete and inconclusive as to exactly what happened to the funds, where and why they were delayed. So I've made my decision against that background.

Where a transfer appears to be delayed like this, I'd expect the sending bank to make the necessary enquiries to find out what has happened and to take prompt, reasonable steps to ensure that the matter is resolved. Citibank says it received a message from C on 5 September, saying they hadn't received the payment. Ms G says she also called Citibank on 9 and 14 September. But Citibank didn't contact M until 16 September to find out what was happening. I think it should have acted sooner, when it first heard from C.

Ms G has provided a message which Citibank sent to her on 22 September which she says shows the significant delay by Citibank in taking charge of the problem. I'm satisfied based

on the evidence I've seen that Citibank contacted M before this – on 16 September. But, as I've said, I don't think that was soon enough. And I think Citibank should have been more proactive in updating Ms G. It should have treated her concerns with a greater sense of urgency.

Citibank says its transfer team followed up with M but didn't receive a timely response, which caused delays. It's unfortunate that M doesn't appear to have been very responsive. But, on the available evidence, I can't conclude that Citibank took all relevant steps to ensure that the payment arrived with C within a reasonable time. And it was already delayed by the time Citibank first contacted M.

Ms G says it's hard to believe that M didn't respond to Citibank's request of 16 September. She has pointed out that C contacted the correspondent bank on 28 September, apparently prompting the completion of the transfer, as the funds reached C two days later. Unfortunately, the evidence isn't complete here so I don't have the full picture of what happened at every step of the transfer. The evidence I have seen shows that Citibank contacted M and didn't receive a substantive response.

The payment did reach C in the end, but it was delayed quite significantly. Ms G says this caused her financial loss. The funds were transferred in Sterling, but Ms G says her intention was to convert them all into another currency upon receipt. She had been expecting to do this on or around 9 September. But, because of the delayed transfer, the earliest she was able to convert the funds was 4 October. She says that the exchange rate was less favourable by this time. As a result, she only converted half the funds and says this cost her more than it should have done because of the delay.

I can understand Ms G's disappointment in relation to the currency conversion. But Citibank wasn't involved in that transaction I haven't seen anything to suggest it knew of her intention to convert the funds. I don't think Citibank could have foreseen that there would be any currency conversion loss as a result of the delayed transfer. So, whilst I'm sorry to disappoint Ms G, I'm not going to ask Citibank to do anything about this.

But I do think Citibank needs to pay Ms G some compensation for the distress and inconvenience she experienced. The funds arrived much later than Citibank said they would. It appears the delay was caused by Citibank and/or its agent. Once it was known the funds hadn't arrived, I think Citibank could have done more to try to ensure the funds arrived within a reasonable time. I think it could also have done more to keep Ms G informed and I don't think its responses to her complaint acknowledged the real impact of the situation. Ms G has provided more information about this and I remain satisfied that Citibank's communication with her about this issue was poor and added to the overall distress of the situation.

Ms G had transferred a large sum of money. Understandably, it was extremely worrying and stressful when the money didn't reach C within the expected timescale. The delay was significant and Citibank wasn't able to tell Ms G where the money was during this time. Instead, whilst acknowledging that there was a delay, Citibank rejected Ms G's complaint and said it had operated in line with its processes. I don't think that was reasonable. In the end, Citibank offered Ms G £100 to recognise the delay. But that was only because of further contact from her. Overall, I don't think Citibank acted fairly.

Ms G says that Citibank has now closed her account because her balance was below a certain threshold. I can understand this was disappointing for Ms G. But the account closure is an entirely separate issue from the money transfer which I'm considering here. It doesn't form part of this complaint. So, I'm not going to make any findings about the account closure or award any compensation for that here. Ms G can of course raise the issue of the account closure as a new complaint to be looked at separately if she wishes.

Putting things right

In light of all the above issues, I don't think £100 is enough compensation for this complaint. I think Citibank needs to pay a higher amount to recognise the impact this had on Ms G. But I'm looking at the situation impartially and our awards aren't intended to punish businesses. On balance, I still think £300 is a fair amount of compensation in the circumstances here.

My final decision

For the reasons above, I uphold this complaint. Citibank UK Limited should pay compensation of £300 to Ms G.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms G to accept or reject my decision before 27 December 2023.

Katy Kidd
Ombudsman