

The complaint

Mr J is unhappy that Nationwide Building Society didn't complete an international transfer that he instructed.

What happened

On 26 April 2023, Mr J instructed a transfer of £7,000 to his sister who resides overseas. The £7,000 left Mr J's Nationwide account that day and he was told that it would be with his sister within three working days. But Mr J's sister never received the money. And the transfer monies – reduced because of unfavourable changes in the currency exchange rate – were returned to Mr J's Nationwide account on 19 June 2023. Mr J wasn't happy about this, so he raised a complaint.

Nationwide responded to Mr J and explained that the transfer had been declined by an intermediary bank in the overseas country where the money was being sent to. Nationwide also explained that they felt that they'd processed the transfer request correctly and so didn't feel that they'd acted unfairly.

However, Nationwide did accept that the UK intermediary bank which they'd used hadn't returned the funds to Nationwide, having received them from the overseas intermediary bank, as quickly as they should, and that Mr J had lost out of £75.40 because of currency exchange movement as a result. Nationwide apologised to Mr J for this, credited the £75.40 to him, and also reimbursed the international transfer fee of £20. Mr J wasn't satisfied with Nationwide's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they didn't feel Nationwide had acted unfairly in how they'd managed the situation and so didn't uphold the complaint. Mr J 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.

Having done so, I'd like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the factors and circumstances of a complaint into consideration.

Mr J feels that Nationwide have acted unfairly and that their actions caused the international transfer he instructed to first be delayed and the ultimately to not be completed. However, having considered all the information and evidence available to me here, I don't feel that this was the case. Rather, I feel that Nationwide processed the transfer instruction as would be expected and that the reason the transfer didn't complete was because of reasons outside of Nationwide's control. As such, I won't be upholding this complaint against Nationwide.

When money is transferred internationally, it can be the case the sending and receiving banks don't hold any form of business relationship. In such circumstances, the use of intermediary banks by the sending and/or receiving banks may be necessary.

In this instance, both Nationwide and the overseas receiving bank used intermediary banks to facilitate the transfer. This means that the transfer chain was from Nationwide to the UK intermediary bank, to the overseas intermediary bank, then finally to the intended overseas recipient bank.

I explain the above because, while I would consider Nationwide to be accountable for their own actions and the actions of the UK intermediary bank which they used, I wouldn't consider them to be accountable for the actions of either the overseas receiving bank or the overseas intermediary bank that the overseas receiving bank used.

Importantly, the transfer was delayed and later rejected by the overseas intermediary bank. And, as explained, I wouldn't hold Nationwide accountable for this. Indeed, from all the information and evidence presented to me, I feel that Nationwide correctly processed the transfer inline with the instruction supplied to them to do so by Mr J.

All of which isn't to say that Mr J hasn't been troubled and inconvenienced by the transfer not completing. But it is to say that I don't feel that Nationwide should fairly be reasonably be considered responsible or accountable for that trouble and inconvenience. Rather, I feel that Nationwide acted as would be expected but that the transfer didn't complete for reasons outside of their control.

I realise that Mr J would like to better understand what happened and exactly why the transfer was delayed. But the actions of the overseas banks sit outside of my remit here, which is concerned only with the actions of Nationwide and the UK intermediary bank, given that this is a complaint against Nationwide.

I'm also aware that Mr J is unhappy that when his money was returned to his Nationwide account, it was £280.71 less than the £7,000 he had instructed to be sent. The reason for this is because the relevant currency exchange rate had moved against Mr J during the time the attempted transfer had been ongoing. This is unfortunate, but as both the return of the money and the movement of currency exchange rates are outside of Nationwide's control, I don't feel that Nationwide can reasonably be said to have acted unfairly.

Nationwide did identify that the UK intermediary bank they used had delayed returning Mr J's money back to them, having received that money back from the overseas intermediary bank. And Nationwide identified that this delay had caused Mr J to incur a £75.40 loss because of currency exchange rate movement during that time which they then credited back to Mr J, along with a reimbursement of his £20 international transfer fee. Nationwide's actions here seem fair to me. And I feel that fairly address the portion of the currency exchange rate loss that Nationwide should reasonably be considered accountable for.

Mr J has said that when he instructed the transfer with Nationwide that he wasn't informed that Nationwide wouldn't accept liability for losses incurred during the transfer. But I feel it stands to reason that a business wouldn't accept liability for losses incurred because of the actions of a party to the transfer for which they weren't responsible and over which they have no control. And I'm unaware of any financial institution that would accept responsibility for losses incurred in such a manner, or fairly be expected to.

Mr J has also said that he was told by a member of Nationwide staff that the transfer would complete within 3 working days. Nationwide have no record of this conversation. However, accepting that Mr J was told this by a member of Nationwide's staff, I feel that this would

have been on the tacit understanding that the transfer completed without issue – which unfortunately wasn't the case. And I note that Mr J has explained that when he reattempted the transfer using another bank that it was completed within 3 working days.

Finally, it also must be noted that the Nationwide transfer form, which Mr J completed, includes the statement that transfers to countries outside of the European Economic Area – which this was – can take up to three months, and occasionally longer.

All of which means that I don't feel that Nationwide have acted unfairly here as Mr J contends. And I feel that the issues Mr J unfortunately encountered here, about which he remains unhappy, were the result of actions outside of Nationwide's responsibility or control.

I realise this won't be the outcome Mr J was wanting, but it follows that I won't be upholding this complaint or instructing Nationwide to take any further action. I hope Mr J will understand, given all that I've explained, why I've made the final decision that I have.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J to accept or reject my decision before 7 March 2024.

Paul Cooper
Ombudsman