

The complaint

Mr E complains that Wirex Limited took too long to return a payment to him.

What happened

In late September 2023 Mr E made a transfer to another account which wasn't successful. The funds were returned to Wirex, which needed performed some additional checks on the returned funds before crediting them to Mr E.

Mr E was contacting Wirex during this time to ask about where his money was and told it about the problems this was causing him. In October 2023 Mr E provided some details so the refund could be made, but this wasn't successful.

Mr E complained to Wirex and it upheld his complaint – explaining that the transfer wasn't successful and that its relevant team was experiencing an unusually large workload which meant that it wasn't able to resolve this in its normal timescales. Wirex said it would tell Mr E when the refund had been made.

Mr E was unhappy with this and brought his complaint to our service. One of our investigators started looking into this and while they were doing so, Wirex processed the return of the money in November 2023. Wirex explained that it hadn't done so sooner as Mr E provided some incorrect details in October 2023.

Our investigator looked at everything that happened and found that the refund was delayed unfairly by Wirex. They found that Mr E had provided the correct information in October 2023 – as these were the same details that were eventually used in November 2023 to successfully return the money to the account. In light of this – our investigator recommended that Wirex should pay Mr E £50 compensation.

Wirex accepted the investigator's findings. Mr E didn't – saying that the money here was due to be used for food and electricity and that he didn't accept the £50. Mr E then later said that his Wirex account had been restricted. So the complaint has been passed to me to decide.

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.

The starting point here is that all parties accept that the money that was unsuccessfully transferred out of Mr E's Wirex account needed to be returned to it. That has now happened, so what I need to decide is whether Wirex needs to do any more than this.

On 29 September 2023, Mr E attempted a transfer from his Wirex account that failed, which led to the funds needing to be returned to his account. Wirex has confirmed that it was made aware of this the next day, 30 September 2023 and that it contacted Mr E about this and said it would update him as soon as possible.

After this, I've seen that Mr E was regularly contacting Wirex about the status of this refund.

Wirex asked Mr E for some details of the sending account. It's not clear why this was – given that Mr E sent the money from his Wirex account. Nonetheless, Mr E provided these details.

There was then a lot of back and forth between Mr E and Wirex, during which it kept saying that it was looking into the matter and that it would update Mr E. But it was only on 25 October that Wirex responded in a substantive way – asking for 'external bank account details'. Mr E said (fairly, in my view) that this was unclear – but provided the details of the account he intended to transfer the money to. Wirex then explained that the transfer was declined by this receiving bank and asked if it could send the funds associated with the transfer back to another account he provided the details of.

It was only on 14 November 2023 that the refund was made though. That is some six weeks after Mr E's transfer initially failed and from when Wirex was first aware of this. I can't see any fair reason from the evidence here to support why this took so long. Being fair to both sides, I accept that when funds like this are returned a firm may wish to carry out some checks before crediting an account – but, again, I can't see why such checks needed to take around six weeks.

So I think it's fair to say that Wirex has let Mr E down here and that it should put things right for him. The starting point here is that it's refunded the money as it should. So I need to consider what's fair for the impact this has had on Mr E. He has said that this has caused him financial difficulties and that he needed the money to eat. He has provided the details of the account that this money was intended to be transferred to and said he planned to withdraw it from here.

I've considered what Mr E has said, but there isn't any clear evidence to support that this missing payment has had the impact he says. Mr E has sent us a statement showing an account that receives benefit payments, but also shows some payments into the account as well as out. The payment in question was for £105 too – and so I have to consider the proportionality of any compensation in relation to that.

Having considered all these factors, I find that £50 is fair and reasonable for the impact of Wirex's handling of this matter. So it's that Wirex must now pay.

Finally - Mr E has mentioned that Wirex has now restricted his account. That is a new issue that Mr E would have to raise a new complaint about - giving Wirex an opportunity to respond before this service can look into it.

My final decision

Wirex Limited must pay Mr E £50 to resolve this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr E to accept or reject my decision before 19 April 2024.

James Staples
Ombudsman