

## **The complaint**

Mr B and Ms P complain Shawbrook Bank Limited made mistakes when it returned a payment. The mistake left them without access to their money for three weeks. They hold Shawbrook responsible.

Whilst this is a joint complaint, I will mostly refer to Ms P as she has been corresponding with us.

## **What happened**

The facts of this case are well known by the parties so I will provide a summary. Mr B and Ms P sold a property and transferred just over £600,000 from an account held with another bank (H) into a joint account at Shawbrook. Because the transfer amount was over the amount permitted in the account Shawbrook rejected the payment and a return was initiated the following day.

Ms P said she was told the return of funds would take a day, but this then became several days. After a week when the funds still hadn't arrived in the account with H neither bank could locate them, despite Ms P being informed the money was on its way back.

Shawbrook said the funds were stuck with its clearing bank (R) and Ms P should visit one of its branches to see if it could help. However, because R didn't have a direct relationship it couldn't assist.

Ms P says that trying to establish the whereabouts of the money caused a huge amount of stress and anxiety. They couldn't focus on work and lost £700 in income. Not only this but 10 hours was spent on the phone to Shawbrook and H, where incorrect information was given and no proper assistance.

In the end Ms P used her contacts to escalate things.

H located the payment and applied this to the nominated account.

H told Ms P Shawbrook hadn't provided sufficient information to allow it to apply the payment to the nominated account.

Shawbrook investigated and issued its final response. It was satisfied the correct process for returning the funds had been completed and therefore the delay in crediting the funds didn't lie with it. It said it had attempted numerous times to discuss this with H, so that it could advise Ms P the reason for the delay. In the circumstances, it suggested a complaint be made against H. It went on to say that it had reviewed all calls and secure messages and recognised incorrect information was provided on multiple occasions and to say sorry it paid £140.

Ms P didn't agree with some of the conclusions or think this went far enough in reflecting the impact. As well as lost income and interest, she said plans for buying a property had to be delayed because they couldn't provide proof of funds.

One of our investigators looked into what had happened. She didn't think Shawbrook had made a mistake in the information it had used to return the funds. However, she agreed there had been shortcomings in the customer service it had given. She recommended it pay an additional £200 to settle this complaint (£340 in total).

Shawbrook said it would only pay an additional £60 to take the total compensation to £200 as it considered this fair. Ms P responded to say it had taken Shawbrook nearly three weeks to return her money and therefore it was responsible for the distress and inconvenience caused, including the other losses that had been referenced. She confirmed a one off payment had been received from H for lost interest.

The investigator didn't change her mind, so the complaint was put forward for a 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 understand how alarmed Mr B and Ms P would have been about the situation that arose with their funds. This was a significant sum of money, and so this would have been an extremely worrying time for them. I'm pleased to learn that Mr B and Ms P have had £2,000 from H and an apology.

I will now focus on what I consider to be the crux of the issue – did Shawbrook make a mistake?

I've looked at the payment records that Shawbrook have provided, and the first thing to say is that these show the return of funds was instigated on 21 September and completed the following day, which means Shawbrook sent the funds back promptly. Indeed, these look to have got back to H on 22 September. I can also see that the same payment details were used to return the money that had been used when Shawbrook received the credit. But key is the payment was highlighted as a return, with the specific amount in pounds and pence and named Shawbrook as the returner. H says some information was missing and it couldn't locate the funds. But ultimately, it's the case that the funds were with the recipient bank as intended and not Shawbrook. In these circumstances, there would have been a limit to what Shawbrook could have done, as it wouldn't have had any control or oversight over the money.

That said, I do agree Shawbrook's service fell short in some respects. For example, it referred Ms P to R, which wasn't helpful or necessary and it has accepted it gave out wrong information. But on the flip side I can also see that it sent messages to try and trace the payment (which is what I'd expect it to do). This appears to have been in line with its process to allow for 5 working days.

Having weighed all of this up, I don't think I can reasonably hold Shawbrook responsible for everything that happened. It follows that I won't be asking it to pay anything towards the financial loss claimed.

However, I do think Shawbrook should compensate Mr B and Ms P for the distress and inconvenience that stemmed from its poor service. I note that Shawbrook has already paid £140 in an attempt to reflect this. But I think it should also pay the additional £200 the investigator recommended, because in my opinion the initial amount doesn't adequately recognise the trouble, upset and frustration.

My conclusion is that the compensation in its entirety (£340) is a fair way to resolve this

dispute.

**My final decision**

My final decision is that Shawbrook Bank Limited should pay Mr B and Ms P £200, making a total compensation payment of £340.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B and Ms P to accept or reject my decision before 14 August 2024.

Sarita Taylor  
**Ombudsman**