

## **The complaint**

X is an individual. He complains that Citibank UK Limited blocked a payment from his account and then delayed its return. When the money was returned, X received less than he had transferred from his account.

## **What happened**

In March 2023 X instructed Citibank to make a payment of a little over €2,500 from his GBP account to a personal account in Italy. He says that the transfer was needed to pay for professional services in connection with a legal case involving a family member. The payment was, he says, time critical.

Citibank did not immediately make the transfer. It held it while it carried out further checks. They included asking X for more information about the beneficiary, including their date of birth. X was initially reluctant to provide that information, not least because he did not know the beneficiary personally. He gave Citibank the information it had requested on 5 April 2023, and Citibank released the funds to the beneficiary bank on 11 April.

The money was still not applied to the beneficiary's account, however, as the beneficiary bank carried out its own checks. X arranged for payment by a different means and cancelled the payment from Citibank. The funds were returned to X's account at Citibank on 11 May 2023.

X complained about the blocking of the funds and that he had received less back than he had tried to transfer. He thought that Citibank should have made the checks before debiting his account, that it should have completed the checks sooner than it did and that it should have returned all the money. He also noted that his account had been credited with a separate payment of £100 and asked Citibank for an explanation.

Citibank did not consider that it had done anything wrong. It had, it said, acted in accordance with relevant legal and regulatory obligations which require that it carry out additional checks on payments in some circumstances. It said that the difference in the amount debited from X's account and the amount re-credited was the result of exchange rate changes. It did not know the source of the £100 payment; it was not a payment it had made.

X did not accept Citibank's explanation and referred the matter to this service. Our investigator did not recommend that the complaint be upheld. X asked that an ombudsman review the case.

## **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.

Banks should generally follow their customers' instructions when making payments. They can however decline those instructions or make further enquiries in some cases – for example, where there is a risk that a customer has been targeted by fraudsters. And in some cases a bank may be obliged to make further enquiries or to stop a payment altogether.

I am satisfied that Citibank's enquiries in this case were legitimate and necessary for it to meet its legal and regulatory obligations. I do not believe either that there were any avoidable delays on the part of the bank. In saying that, I note the beneficiary bank carried out its own checks, rather than crediting the beneficiary's account immediately it received the funds.

I am satisfied too that the reason X received less than had been debited was because the funds were paid from and returned to his GBP account. So, they were converted into Euros and then back again. I do not believe I can fairly hold Citibank responsible for the loss that resulted.

I accept as well that Citibank was not responsible for the unknown credit of £100 to X's account. X will need to make his own enquiries to establish the source of that money.

### **My final decision**

For these reasons my final decision is that I do not uphold X's complaint and do not require Citibank UK Limited to do anything further to resolve it.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 25 April 2024.

Mike Ingram  
**Ombudsman**