

## **The complaint**

Mr N complains that TSB Bank plc made errors with the international payment he sent.

## **What happened**

Mr N says that on 17 July 2023 he visited a branch of TSB, and he requested an international payment for £41,768.19 to pay for a tuition fee for a family member. Upon receipt of the funds he says the university would've issued a study permit which was required for the visa application and there was a strict timeframe for the whole process. Mr N says that on 24 July 2023 he received a message from TSB that the funds had been converted to Canadian Dollars (CAD), which was against his instructions to send the money in British pound sterling (GBP). He says the conversion altered the amount of the tuition fee.

Mr N says that as he feared the rejection of the tuition fee, he took the next day off to visit the TSB branch, but he was unable to get answers why it took seven days to initiate the transfer or why it had been converted to CAD. Mr N got in touch with TSB's international team who said they had made a mistake and offered Mr N the option of recalling the payment or TSB could make up the shortfall (due to the exchange rate offered in conversion). Mr N opted to recall the funds. The university confirmed they had returned the funds on 31 July 2023, but Mr N didn't receive the funds despite constantly chasing TSB.

Mr N says that as time was running out for the submission of the visa application he re-sent the tuition fee via another bank, but the tuition fee had increased to £42,420.98. Mr N says he had the returned funds from TSB on 23 August 2023. Mr N made a complaint to TSB.

TSB did not uphold Mr N's complaint. They said the payment was sent correctly by them. They said when an international money transfer is made, it may need to go through a number of corresponding banks before it reaches the beneficiary. If there is any delay due to these corresponding banks, this is out of their control. TSB said a request was sent on 25 July for the funds to be returned to his account. Mr N brought his complaint to our service. He said he wanted TSB to pay the increased cost of the tuition fees, he wanted to be paid compensation for him taking time off work, and he told us his lost earnings, and he wanted to be paid £5,000 for the distress and anxiety caused.

Our investigator partially upheld Mr N's complaint. He said the impact of the message on 24 July 2023 regarding the conversion caused Mr N concern as it was contrary to his instructions. Whilst TSB have confirmed and provided supporting evidence that the conversion didn't impact the amount paid back to his account, the message was disconcerting, so he said TSB should pay Mr N £50 for any trouble and upset caused by this phantom exchange.

Mr N asked for an ombudsman to review his complaint. He made a number of points. In summary, he said his instructions weren't carried out as agreed - which was a breach and he wanted to know who converted the funds, he said the conversion of the currency had made the payment invalid to the university, he acted as soon as he could by visiting a TSB branch and the recall was offered to him on the phone.

As my findings differed in some respects from our investigator's, I issued a provisional decision to give both parties the opportunity to consider things further. This is set out below:

*"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*Firstly, I'm aware that I've only summarised Mr N's complaint points. And I'm not going to respond to every single point made by him. No discourtesy is intended by this. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.*

*I've looked at the text Mr N received from TSB regarding the conversion. I can see that this was received by him at 10:48am and it showed the funds were converted to CAD, which was not in line with the payment instructions. I've listened to the call Mr N had with TSB on 25 July 2023 at 9:15am. Mr N was told the payment had been sent in GBP. A trace was raised on this call to see where the funds were and what needed to be done to make sure the money gets there correctly.*

*I did not hear on this call that Mr N was given the option to recall the funds, but from his testimony he said he visited the branch on 25 July 2023 and spoke to their international team. TSB have not been able to locate another call recording from 25 July 2023, but I don't doubt what Mr N has told us. If he had rung from a branch this is why TSB would be unlikely to locate this call as it wouldn't have come from Mr N's registered telephone number. I can see Mr N was sent a text about the recall on 25 July 2023 at 14:48pm. So I do think that on the balance of probabilities that Mr N was given this as an option, and he acted upon this.*

*After reviewing the available information between Mr N's texts, TSB's system notes and messages to the correspondent bank (a third party bank involved in the transfer, but not the recipient bank), and messages from the correspondent bank to TSB, I suspected that the funds weren't actually converted to CAD, despite the text that Mr N was sent, and I'll explain why.*

*The text which Mr N received from TSB was at 10:48am on 24 July 2023. But the only message between TSB and the correspondent bank on 24 July 2023 was at 22:17pm – nearly 12 hours after Mr N received the currency conversion message, and it was not related to any conversion. The evidence shows the previous contact between the two banks was on 20 July 2023 which was four days earlier than the text. And this message shows the money was sent in GBP (not CAD or that it would be converted).*

*So there was no evidence that I could find that the funds Mr N transferred were converted. And as the same funds were received back from TSB that Mr N sent with no foreign exchange loss (or gain), I also found this to be extremely unusual, as a buying and selling price of converting funds to different currencies are usually different, so it would have been an extraordinary coincidence that the same buying and selling exchange rates were used.*

*I put this to TSB and asked for irrefutable proof that the funds had been converted and evidence that the correspondent bank had exchanged the funds to CAD. TSB told me that they got in touch with a senior colleague at their international payments team who has advised that the text message they issued was not promoted by an exchange at the recipient (or correspondent) bank as they have confirmed no exchange took place and they were not contacted by the recipient (correspondent) bank. TSB said they have not been able to identify the trigger for the text message, but they've conceded it was sent in error as no exchange had been made.*

*I'm aware that this is the first time that Mr N has been made aware that the funds were never converted, and this will likely cause him distress. After reviewing TSB's systems, I'm unable to conclude how the text was sent in error, considering that there's no evidence the funds were ever converted. So in reality, the funds didn't need to be recalled. This ties into the message from the correspondent bank to TSB at 22:17pm on 24 July 2023.*

*The message was for TSB to verify with Mr N that he received verified wire instructions from a known source. While I'm not persuaded that it would've been proportionate for TSB to contact Mr N at that time as it may be considered an unsociable hour, and it may not have been visible to the call handler who Mr N spoke to at 9:15am (I say this as it wasn't a message that was viewable on TSB's general notes system under Mr N's customer profile), I think it's fair to say that TSB missed an opportunity to speak to Mr N about this prior to him giving his instructions to recall the payment.*

*If TSB would have spoken to Mr N about this in line with the instructions from the correspondent bank on this call or prior to this call, then it may have come to light that the funds hadn't of been converted and Mr N could have just checked with the university that they'd received the funds, or where the funds currently were and in what currency. I note the message from the correspondent bank on 24 July 2023 say the payment was not held by themselves, so it's possible that the recipient bank/the university had received the funds by that point.*

*It's not clear if the university actually did receive the funds, I can see that they told Mr N that they sent the funds back, so it is likely they did receive the funds. If they had received the funds it's likely that they could have confirmed to Mr N that they did receive the full funds in GBP, at which point Mr N could have tried to cancel the recall, but I accept that Mr N wouldn't have been aware the funds hadn't been converted by TSB (or their correspondent bank) based on the text he received from TSB, so I can understand why he may not have asked them this. But I'm satisfied that the evidence shows neither TSB nor their correspondent bank converted any funds into CAD.*

*There were delays in the money being sent and received back, but it doesn't appear that TSB were at fault for this. I can see the correspondent bank asked for further information, which they are entitled to do to ensure the transaction was made by the legitimate customer. TSB sent the information to the correspondent bank in a timely manner. And I can see that TSB had sent numerous messages to try and recall the funds in line with Mr N's wishes.*

*I've considered what would be a fair outcome for this complaint. There's no doubt that TSB has caused Mr N distress and inconvenience regarding an erroneous text message when the evidence now shows the funds weren't converted. So I'm satisfied that compensation is due to Mr N. But I can't hold TSB responsible for the university increasing tuition fees as this is out of their control. And there can be delays in the recipient receiving the funds due to checks which sometimes need to be completed. So while I can sympathise with Mr N's predicament that the tuition fees did increase, I'm not persuaded it is fair to hold TSB responsible for this when it is outside their control. There was no financial loss in the funds sent and received back to Mr N.*

*I've also considered what Mr N has said about how much he earns and him taking time off work. But our service would look to treat all complainants fairly regardless of their earnings. And while I can understand why Mr N took the actions he did due to the urgency of the matter, I won't be asking TSB to pay Mr N any lost wages for this, and I've seen no evidence that they had told him to take days off work to deal with what happened here.*

*Instead, I've looked at the impact of the situation as a whole. While Mr N didn't have a financial loss in itself regarding the money he sent as the same amount was fully received*

*back by him, he was caused distress and inconvenience as a result of the text message, especially as it's now come to light that this was sent to him in error.*

*Mr N contacted TSB on a number of occasions after he received the text message, and I don't doubt he visited the branch. He's also been in contact with the university to try and facilitate the recall. I'm persuaded that Mr N wouldn't have needed to have done any of this if he wasn't sent the text in the first place, which he shouldn't have been. He's then had to arrange the payment again.*

*I know Mr N wants £5,000 for the distress and inconvenience caused to him, but I must explain to him that our awards are not designed to punish a business or to make it change the way it acts in order to protect other customers in the future. That is the role of the regulator. We sometimes award compensation if we feel that a business has acted wrongfully and therefore caused distress and inconvenience to their customer over and above that which naturally flows from the event.*

*I'm persuaded that £400 compensation is in line with our awards for what happened here. The text was sent in error and led Mr N to believe that the funds had been converted into CAD. This would cause him a lot of distress as this is not what he instructed TSB to do. And although they didn't actually do this, the text led to him being distressed and he recalled the funds. So it follows I intend to ask TSB to put things right for Mr N."*

I invited both parties to let me have any further submissions before I reached a final decision. TSB accepted the provisional decision. Mr N did not accept the provisional decision. He made a number of points. In summary, he said in a telephone call he had with a female at TSB on 25 July 2023 at 9:15am, the call handler accepted TSB's mistake about converting the currency and gave him the option of either recalling the funds or them refunding the change due to the conversion.

Mr N said there was irrefutable evidence of the currency conversion as the recipient banks Society for Worldwide Interbank Financial Telecommunication (SWIFT) messages clearly show the amount refunded to be \$69,034.55 which was the conversion and exchange rate mentioned in the TSB message, he found it difficult to believe that an error message with such specific details originated without knowledge of anyone.

Mr N says that the amount refunded by the beneficiary bank refutes TSB's claim that the currency had not been converted, he believes he is entitled to further compensation relating to the increased cost of transfer, loss of earnings and stress caused by TSB. He said once the funds were converted, the University wouldn't accept multiple transactions on the same reference number, so even with a deficit of around \$2,000, it would have been impossible to resend extra money to make up the shortfall, so the only option was to recall the funds.

### **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.

Mr N has made a number of points to this service, and I've considered and read everything he's said and sent us. But, in line with this service's role as a quick and informal body I'll be focusing on the crux of his complaint in deciding what's fair and reasonable here.

I've considered what Mr N has said about the telephone call on 25 July at 9:15am. But I mentioned this call in my provisional decision when I said "*Mr N was told the payment had been sent in GBP. A trace was raised on this call to see where the funds were and what*

*needed to be done to make sure the money gets there correctly. I did not hear on this call that Mr N was given the option to recall the funds”.*

I believe Mr N is referring to a call which he had later that day, as the call at 9:15am was with a male. TSB are unable to locate a call recording for that call. I said in my provisional decision *“TSB have not been able to locate another call recording from 25 July 2023, but I don’t doubt what Mr N has told us. If he had rung from a branch this is why TSB would be unlikely to locate this call as it wouldn’t have come from Mr N’s registered telephone number. I can see Mr N was sent a text about the recall on 25 July 2023 at 14:48pm. So I do think that on the balance of probabilities that Mr N was given this as an option, and he acted upon this”.*

I’ve reviewed the SWIFT messages Mr N has been sent by the recipient bank. They do show they returned \$69,034.55CAD, but they don’t explicitly state that this was received in CAD, so I can’t rule out that they converted the funds when they received the money. I would draw Mr N’s attention to the email from the University on his second successful payment. When he made the payment with the third party bank (not TSB), again, this was instructed in GBP. Mr N has not said at any point that the second payment was converted. But on the payment received email he was sent on 8 August 2023 from the University, it doesn’t say the amount processed was the £42,420.98 he had sent them, it says the amount processed was CAD 71,000.000.

So I can’t rule out it was the beneficiary bank who converted any funds (or any intermediary bank they may have used). But what Mr N had sent in GBP, was returned in GBP, so I can’t say there was a loss in any conversion, regardless of who converted the funds (or if they were actually converted). But the evidence would suggest TSB didn’t convert any funds. While I understand the reasons why Mr N would strongly disagree with this based on the text that was sent to him on 24 July at 10:48am, the evidence shows that even after this time and date, the SWIFT messages to and from TSB only referred to GBP and not CAD.

When TSB sent the bank holding Mr N’s funds a SWIFT message on 25 July at 14:45pm, this message shows GBP three times on the SWIFT message and CAD is not mentioned once. The letter TSB sent to Mr N on 16 August 2023 says they tried to recall £41,769, and no CAD amount was quoted.

But the main reason I’m satisfied that TSB didn’t convert the currency on 24 July 2023, is because they didn’t hold the funds on this date. These were being held with another bank. As I said in the provisional decision *“I can see the correspondent bank asked for further information, which they are entitled to do to ensure the transaction was made by the legitimate customer”.* They asked TSB for this on 19 July 2023, which was five days before the text. The same bank had held the funds until at least 25 July 2023 when TSB asked them to recall the funds.

It would appear from the information Mr N has told us, and the messages he’s provided us from the University, that a recall was always likely to happen regardless of any conversion. I say this because the emails from the University show his payment wasn’t received by the 72 hour deadline, and the corresponding instruction sheet had expired. There was a weblink for if Mr N wants to make a new payment. And on the email they sent him on 1 August 2023, they tell Mr N that he could only hold one active reference identification at a time. So as the corresponding instruction sheet had expired, it’s likely Mr N would’ve had to send another payment once the deadline expired.

In my provisional decision I said *“There were delays in the money being sent and received back, but it doesn’t appear that TSB were at fault for this. I can see the correspondent bank asked for further information, which they are entitled to do to ensure the transaction was*

*made by the legitimate customer. TSB sent the information to the correspondent bank in a timely manner". So I can't hold TSB responsible in the deadline being missed.*

I've considered what Mr N has said about him being entitled to further compensation relating to the increased cost of transfer, loss of earnings and stress caused by TSB. But as I said in the provisional decision "*while I can understand why Mr N took the actions he did due to the urgency of the matter, I won't be asking TSB to pay Mr N any lost wages for this, and I've seen no evidence that they had told him to take days off work to deal with what happened here*". I'm still satisfied that a total of £400 compensation is fair for the reasons I set out in the provisional decision.

In summary, Mr N's response hasn't changed my view and my final decision and reasoning remains the same as in my provisional decision. If Mr N is disappointed, I hope he understands my reasons.

### **Putting things right**

In my provisional decision I said I intend to uphold this complaint in part. I said I intend to ask TSB Bank plc to pay Mr N £400 for distress and inconvenience. I'm still satisfied this is a fair outcome for the reasons given previously.

### **My final decision**

I uphold this complaint in part. TSB Bank plc should pay Mr N £400 for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 30 July 2024.

Gregory Sloanes  
**Ombudsman**