

## **The complaint**

Mr A complains that Key Currency Limited failed to advise him about and/or was responsible for delays in transferring money to buy a property abroad. This caused him to lose his purchase and to incur financial losses.

## **What happened**

In March 2023 Mr A contacted Key Currency. He needed to convert currency for a property purchase from sterling into AED, and thereby send the funds to the relevant agent's bank. He says that based on his conversations with Key Currency about the relevant timescales he signed the contract for this property purchase on 16 March 2023. Following a further conversation the next day, where timescales were discussed, Mr A was asked to send documents detailing his source of the funds to purchase. He was told that the transfer would likely take up to 72 hours with the absolute worst scenario of 5 working days.

Mr A had to travel abroad to be present on completion of the purchase. He sent the funds to Key Currency, which it received on 20 March. It advised that it would transfer the funds to its bank the next day. It then said its bank had to carry out some due diligence checks and there were problems over a Swift (electronic messaging) receipt. The funds were sent out by its bank on 23 March.

Key Currency then said there were likely to be delays due to Ramadan. The new expected payment date was 27 March 2023. Key Currency obtained a payment trace, and confirmed to Mr A that the payment was now with the receiving bank, so there wasn't any more it could do.

Key Currency carried on with chasing the payment until 3 April 2023. It asked Mr A for more proof of funds and ownership documents on this date. It also advised Mr A that it had had confirmation that the receiving bank had released the funds to the agent's bank.

Mr A said that he had had threats of legal proceedings due to the delays. He was only able to agree an extension until 6 April 2023. The payment didn't arrive by that date so Mr A had to ask Key Currency to recall the funds. These were returned to him. However he has told us he can't convert the funds back to £ sterling without making a substantial loss.

Mr A complained to Key Currency that because of the delays he had had to spend thousands of pounds on extending his stay at hotel accommodation. He'd also had to spend extra funds on cancelling and rebooking flights. This was because he was constantly assured by Key Currency that the funds would arrive "the next day." He also said that the property had increased in price and he would have to pay a further £100,000 if he wanted to proceed with the purchase.

On referral to the Financial Ombudsman Service, our Investigator said that he couldn't hold Key Currency responsible for the delays in the payment being made, once the funds had been sent from its bank. He thought that Key Currency should have provided clearer information before initiating the transfer particularly around the challenges with the currency and this would have led to a change in Mr A's agreed payment date. He also said that Mr A

would have had clearer expectations around the potential for delays and it would have allowed him to make more informed decisions. Resulting in less stress, anxiety and time spent chasing for Mr A throughout the whole process. He proposed that Key Currency should pay £850 towards his hotel expenses and £200 distress and inconvenience.

Key Currency accepted our Investigator's proposed settlement. Mr A did not, in particular he said that Key Currency gave him a guarantee of the payment being received within 3 working days and that he had proceeded on that guarantee. He said that the phone call on 17 March 2023 only took place after he had transferred the money and that in previous phone calls he had received no indication about problems with converting to and transferring AED. He further said that Key Currency asked him for further documents on 3 April because the receiving bank requested it. He believes that these documents should have been provided at the start and because of Key Currency's failure this delayed and ultimately led to cancellation of, the transaction.

Our Investigator reviewed the matter. He said he had seen no evidence to suggest that the payment was disrupted due to the information Key Currency had gathered from Mr A on 3 April 2023. And that, once the transfer was made, the method of communication was Swift messaging, which doesn't allow the sending of documents. He said that he felt the outcome set out in his original view didn't need to change.

Mr A didn't agree and the matter has been passed to me for an Ombudsman's consideration.

### **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 have to advise Mr A that we act as an alternative dispute resolution service. Our role is to consider complaints informally and to try to resolve those complaints. But my overall remit is to consider what in my opinion is fair and reasonable in the circumstances of the complaint.

Where the evidence is incomplete, unclear or contradictory, as some of it is here, I have to make my decision based on what I think is most likely to have happened. But it may be that I can't make a finding and if that is the case I shall say so. I have a duty to be impartial so I have to assess both parties' evidence fairly.

The first point I would make is that I observe that Key Currency is a currency conversion and transfer service. It does not purport to advise about purchasing property abroad, particularly about signing contracts. If Mr A was consulting a property lawyer or real estate broker, I haven't seen evidence that he did so relating to the transfer of the monies. Given that, I think that he took a risk signing the contract and expecting the process to take just a week.

However with that in mind, I have noted that Mr A had telephone conversations with Key Currency over the period 13 to 16 March 2023. Key Currency hasn't provided recordings of any relevant conversations over that period. But Mr A says that he did obtain a guarantee from it that the transfer would take at most 3 days, and on that basis he signed the contract. I have listened in full to the conversations which took place on 17 March, and I would emphasise that this was before Mr A decided to proceed with Key Currency. In the course of those conversations, the adviser said that he couldn't give any time guarantees, but he did appear to be overly optimistic about the process. In particular he said that the transaction would take around 3 days and at the absolute worst 5 days. He didn't explain that the funds went from Key Currency's bank to an intermediary bank rather than direct to the agent's bank. I note that Mr A had received quotes from other currency transfer companies, so I think that, bearing in mind Key Currency's assurances to him, he decided to proceed with it.

In line with this rather over optimistic view of the transfer, I think Key Currency didn't take account of or at least failed to advise Mr A of the fact that its own bank had to do due diligence. And I bear in mind that Mr A had thought the transfer would be completed by Thursday the 24 March but that the funds didn't leave Key Currency's bank until 23 March.

As regards the rest of the delay in the funds reaching the agent's bank, I do take into account that, again before he had sent the money to Key Currency Mr A was advised that once the monies had left Key Currency's bank account, it had no control over them. It told Mr A that in those circumstances it would put a trace on the monies which it would pay for. And it would appear from its email correspondence with Mr A and its own internal correspondence that it did do this.

Mr A believes that Key Currency held things up because it did not request additional documents from him until 3 April. As far as I can see, he had also already sent documents like company accounts and bank statements before the transaction took place. But I haven't seen evidence that to the intermediary bank or agent's bank required additional documents. Rather that Key Currency decided to ask Mr A for additional documents so that it would have those ready to send if requested.

Given that, it is difficult for me to see what the reason for holding up Mr A's transaction for so long was. Given the nature of the telephone calls with him I don't think that Key Currency anticipated this either. There were delays because of Ramadan and Key Currency should have made Mr A aware of this. But ultimately although Key Currency should have anticipated its own bank's delay in commencing the transaction, I can't say that from the evidence I've seen it is likely that it was responsible for any delay after the money actually left its bank.

I now turn to consider what the appropriate compensation should be. This is difficult because it involves a certain degree of speculation. However bearing in mind what I have said about what my decision was based on, I think it likely that if Key Currency had advised Mr A more robustly about possible time frames, he still would have proceeded. I base this on the fact that he believed that he was getting an extremely good deal out of it and that he rather optimistically agreed to a one week deadline even before he had sent the monies.

I know Mr A says that he would have given a much longer time frame to the seller. With hindsight, Key Currency might have anticipated the long delays. But at the time I can't see that Key Currency knew there would be such long delays.

The same issue applies to Mr A's hotel costs and his costs for changing his flights. It's clear that he was in constant touch with Key Currency. And, given the lack of information coming to it from the intermediary bank and that the funds had not been rejected, I don't think it's reasonable to have expected it to tell Mr A to return home. I think to a certain extent that it was Mr A's decision to continue to stay in a hotel.

Leading on from that, Mr A has said that he wasn't told by Key Currency that he could cancel the transactions and get the monies refunded. He says that had he known he would have done this earlier. Again that is speculation. I'm not clear at what stage the monies had actually arrived at the agent's bank but before then, as he had been told in the conversations of 17 March the monies could not be refunded. Also I bear in mind that his instructions to Key Currency were that he wanted to proceed and had got the seller to extend the deadline to enable this to take place. So I don't think it's likely that he would have cancelled the transaction before the deadline expired.

As regards Mr A's possible loss by not being able to complete the purchase, this again is speculative and I've seen no evidence that he has made any losses by not being able to

complete the purchase. I also bear in mind that he has not converted his currency back to £ sterling so there's no evidence of loss there either. In any event as I don't hold Key Currency responsible for his inability to complete his purchase, even if there was evidence of this it wouldn't be appropriate to require Key Currency to make any payment towards it.

So I think that for the Initial failure to tell Mr A that the monies would be held up by its bank, the Investigator's proposal that Key Currency pay £850 of his hotel bill appears to me to be fair and reasonable.

As regards the distress and inconvenience caused to Mr A, I do note that this caused Mr A a lot of anxiety. He feels he was put under duress, I assume by the agent, as I've seen nothing to suggest that Key Currency was responsible for this. He tells us that his mental health suffered and caused him depression and anxiety. And I fully understand this. However, taking into account the evidence as a whole I don't think that Key Currency was responsible for the delay in the transaction being completed and ultimately being cancelled once the funds had left its bank account. I appreciate that Mr A was anxious that this could be a scam. But I don't think the Key Currency gave him any reason to suppose this, it is a well-established presence online and it kept in constant touch with him, using the same adviser.

Overall, I think to reflect Key Currency's part in the initial advice that Mr A about the likely time frame and about its bank having to complete due diligence in the first place, again I think that our Investigator's proposal that it pay £200 compensation is fair and reasonable.

### **Putting things right**

Key Currency should pay £850 towards Mr A's hotel costs.

It should further pay £200 compensation for distress and inconvenience.

### **My final decision**

I uphold the complaint and require Key Currency Limited to provide the remedy set out under "Putting things right" above.

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

Ray Lawley  
**Ombudsman**