

The complaint

Mr K and Ms S complain that Nationwide Building Society provided them with poor customer service regarding an attempted international transfer.

What happened

Mr K and Ms S say that on 22 April 2024 they attempted to transfer just under £4,000 to their overseas account, but the money disappeared. They say after hours of phone calls trying to find out what was happening, the money was returned to their Nationwide account six weeks later, minus a foreign exchange loss, with no explanation of what had happened. Mr K and Ms S say that on 28 April 2024 they missed their credit card repayment with an overseas credit card due to what happened with the transfer.

Mr K and Ms S say that Nationwide told them to contact the receiving bank, and the receiving bank said the reference Nationwide provided them wasn't recognised by them. Mr K and Ms S say they were in contact with Nationwide almost every day by either phone or email, and they'd been given incorrect information. Mr K and Ms S made a complaint to Nationwide.

Nationwide did not uphold Mr K and Ms S' complaint. It said it sent the funds when Mr K and Ms S initiated the payment, and it requested further information due to the destination account asking for it. Nationwide said the destination account rejected the payment stating they were unable to apply the payment to the account, and they didn't give any further reasoning. It said any losses were non-refundable. Mr K and Ms S brought their complaint to our service.

Our investigator upheld Mr K and Ms S' complaint. She said Nationwide used an intermediary bank to send the international payment, and the intermediary bank needed to carry out further checks. She said there were delays in the process which were unreasonable and delays with Nationwide providing information to the intermediary bank, which led to the payment being returned. She said Nationwide should pay Mr K and Ms S £500 for distress and inconvenience, refund the foreign exchange loss of £206.41, and refund the two £20 fees it charged them.

Mr K and Ms S asked for an ombudsman to review their complaint. They made a number of points. In summary, they said there was nothing punitive about £500 to a company of Nationwide's size, the offer doesn't cover the stress caused by Nationwide over a sustained period. Mr K said that his credit score was negatively affected by the missed credit card payment, and it will continue to affect him over the coming years. They said they wanted Nationwide to pay them £5,000 compensation, and for it to donate £15,000 to a charity of their choice. They said Nationwide have never explained to them where their money was for weeks, and it didn't explain why it couldn't tell them this.

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.

Firstly, I'm aware that I've only summarised Mr K and Ms S' complaint points. And I'm not going to respond to every single point made by them. 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 can see that the attempted payment was debited from Mr K and Ms S' account on 22 April 2024 for \$4,819.38 (£3,980) and a £20 fee. As not all banks and building societies are able to process international transfers direct to the recipient bank, then intermediary banks may be used in the process to facilitate the transfer.

There are no guarantees that each payment that is sent, (even involving accounts that have been used previously), won't be subject to additional checks which could delay the time a payment takes to be received into the recipient account. Section 20 of Nationwide's terms and conditions sets this out:

"To meet legal and regulatory requirements, we (and any financial institutions we may use to help us make the payment) may carry out checks before payments are made or incoming payments are applied to your account with a view to preventing financial crime. Occasionally this may lead to a delay in a payment being sent or applied to your account. In some circumstances we may not be able to make the payment or apply an incoming payment to your account. We will always tell you if this is the case unless it would be unlawful to do so. We will not be responsible for any loss that results from this."

The intermediary bank involved, which would fall under the *"any financial institutions we may use to help us make the payment"* carried out checks. Due to the nature of the checks, this can result in Nationwide not being able to explicitly tell Mr K and Ms S the reasons why the funds are held by the intermediary bank. While this could appear that Nationwide are being unhelpful, there are regulations that it needs to follow.

I've listened to a call Mr K had with Nationwide on 30 April 2024 where he tells the call handler the funds haven't reached his account. It was agreed on the call that a trace and recall would be processed for him, and the call handler told him the amount that would be credited could be a different amount due to the conversion and charges the other bank could impose. She tells Mr K she will complete the form for him.

Once the form is completed the call handler tells Mr K that Nationwide will ask the bank to return the payment to him, which Mr K says *"okay"*. Mr K asks what the timeframe is, and the call handler says she doesn't know. She tells Mr K to give it *"a couple of days"* before he rings back if he doesn't hear anything.

I do think that the information that Mr K was told at times was confusing after reviewing the system notes and listening to some of the other calls he's had with Nationwide. And I don't think things have been explained properly to him, which I suspect is due to the possibility of members of staff not having access to all of the systems and calls that have been made available to me as part of my investigation.

What I'm persuaded that happened here is that the intermediary bank needed to complete checks, therefore they had questions for Mr K to answer. But the intermediary bank didn't include the correct reference number, which Nationwide asked them for so they could locate the payment in question.

It appears Nationwide asked them for the reference number before the recall request was initiated, and it appears to have received the response from the intermediary bank on 30 April 2024 – the same day the recall request was raised. But the recall request doesn't appear to have been raised until the next day.

I suspect there's been a cross-over between the information requested by the intermediary bank and the recall request. I say this as even though the recall request was raised, Mr K was sent the questions which needed answering for the intermediary bank to complete his request on 2 May 2024. So this gave him the impression the transfer could still be able to go through, especially as he responded to the request within the four working days the original email mentioned it needed to be completed by.

Mr K would not be aware that the email with the questions would have been sent by the intermediary bank to Nationwide around a week earlier than when he actually received it. While the questions would still need answering regardless, if the intermediary bank would have included all of the information that Nationwide needed, then the payment may not have needed to have been recalled.

Nationwide have told Mr K that the bank had been unable to apply the funds to the recipient account. But I'm persuaded that this was because they had received a request to recall the funds from Nationwide, and Nationwide also sent another recall request on 16 May 2024.

Nationwide forwarded me a communication it says that it sent Mr K on 2 May 2024. On this communication about the recall request it says "*The bank has 20 days to respond to us. As soon as this response has been received I will contact you to confirm the outcome*". It's not clear if Mr K received this communication as on a call he had with Nationwide on 7 May 2024, when the call handler mentions 20 days, Mr K is audibly surprised.

From listening to the call from 30 April 2024, the call handler gave Mr K the expectation that the return of the funds would be quick, especially as he had included the correct details and sent the money to the same account previously. He was also told to ring back after a couple of days, which inconvenienced him especially as the bank had 20 days to respond.

Mr K was further inconvenienced on a call I listened to from 10 May 2024, as the call handler asked Mr K for the questions that Nationwide asked him on 2 May 2024. This surprised Mr K as Nationwide sent him the questions, so he expected it to know the questions it asked him. Mr K raises a complaint in this call, and when he is asked for what he wants as a resolution for the complaint he tells the complaint handler he wants the money to be credited to his overseas account, so it's not clear why Nationwide sent another recall request to the intermediary bank on 16 May 2024 as opposed to it asking the intermediary bank to forward the funds to the recipient bank.

I do note from Mr K and Ms S' complaint form that they sent to our service that they said they missed their credit card payment overseas on Sunday 28 April 2024. But the funds only debited their account on 22 April 2024, which meant if the funds needed to credit the recipient account by 28 April 2024 (which would usually occur on a working day, and not a weekend), this would only leave another four working days to reach the recipient account.

The Nationwide terms and conditions show that for payments overseas, for Society for Worldwide Interbank Financial Telecommunications (SWIFT) transfers that "*If you make a payment to a country within the EEA or the UK that is not in an EEA currency your payment will normally arrive within 4 working days*". But the payment Mr K and Ms S were making was outside of the UK/EEA.

The terms go on to say “*Payments outside the EEA will take longer*”. So even if Mr K and Ms S had sent money to an overseas account and it had been received in four working days or less previously, Nationwide do not guarantee that the funds would be received by the recipient account within this timeframe (and checks which are covered in section 20 of the terms could delay this further), so there would have always been a risk that the money wouldn’t have been received in the recipient account if the credit card payment was needed to be made by 28 April 2024.

But due to the delays with the payment, it may be that Mr K needed the money to reach his overseas account to make his May 2024 credit card payment. So I do think the delays with Nationwide affected him, especially as the recall option was pursued as opposed to letting the intermediary bank know that he wanted the transfer to continue to go ahead as originally intended.

On an email sent to Mr K dated 23 May 2024 Nationwide told him “*I will be able to provide a letter to arrange for correction of your credit score, if I can evidence Nationwide’s at fault for the delay.*”

As Nationwide were at fault for some of the delays I asked Nationwide if they would arrange a letter of correction for Mr K. Nationwide has been able to produce this letter for Mr K. So I will ask our investigator to forward this onto Mr K so this may help the overseas credit card company amend his credit file. Nationwide have included his registered address on the letter, and its said that if Mr K is permanently living overseas it will need his details updating with it.

I’ve considered what would be a fair outcome for this complaint. The letter of correction that will be forwarded to Mr K should assist Mr K’s credit file to be amended. But I also think it’s fair for Nationwide to refund Mr K and Ms S the foreign exchange loss, as Mr K wanted the funds to be credited to his overseas account. Although there was confusion at times about what would happen, Mr K was clear that his ideal resolution would be for the funds to be credited to his overseas account.

I’ve also considered an award for distress and inconvenience, as it’s clear to me that Nationwide’s actions have contributed to distress and inconvenience to Mr K and Ms S. Mr K had several calls where he was placed on hold for long periods of time, wasn’t given clear information when Nationwide could have been clearer about its process, and he was told to ring back when the communication Nationwide sent him indicated this would be a longer process to recall the funds than what he was originally led to believe. There were delays by Nationwide which also impacted Mr K.

Mr K and Ms S have asked for £5,000 compensation, and £15,000 to a charity of their choice. But I must make them aware that our awards are not designed to fine or punish a business – that is the role of the regulator. Our investigator has suggested a distress and inconvenience award of £500. I’m satisfied that this is fair here. I say this because Mr K and Ms S would have been distressed and inconvenienced as a result of Nationwide’s actions. This amount of compensation is in line with our awards for what happened here considering the impact this had on Mr K and Ms S. So it follows I’ll be asking Nationwide to put things right for Mr K and Ms S.

Putting things right

Our investigator has suggested that Nationwide refund the foreign exchange loss, refund the 2 x £20 SWIFT fees, and pay Mr K and Ms S £500 compensation for distress and inconvenience, which I think is reasonable in the circumstances.

My final decision

I uphold this complaint. Nationwide Building Society should refund the foreign exchange loss, refund the two SWIFT fees, and pay Mr K and Ms S £500 compensation for distress and inconvenience.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K and Ms S to accept or reject my decision before 3 January 2025.

Gregory Sloanes
Ombudsman