

The complaint

Mrs M complains with her husband that National Westminster Bank Plc (NatWest) didn't ask for full details in its app when they made an international payment, causing it to not go through correctly.

What happened

Mrs M made a payment of over £4,000 from her joint account in late September 2023. The payment was to a foreign beneficiary bank account held abroad. Mrs M explained she used the overseas payment section on the NatWest banking app for this transaction. Mrs M explained the funds were not received by the beneficiary, meaning she had to make the payment again as the purchase was time critical.

Mrs M complained NatWest's app let her make the payment without sufficient verification. Mrs M explained they expected NatWest to do more to recover the funds for them.

NatWest wrote a final response letter to Mrs M in early January 2024. It said the funds were being held by an intermediary foreign bank and NatWest had contacted it and asked it to return the funds.

NatWest said the bank had told it it was experiencing issues due to a recent change in its processing systems, that this issue was being addressed and the third party bank would revert in due course.

NatWest said it had not made any errors and therefore did not uphold Mrs M's complaint against it.

NatWest said Mrs M might wish to speak with the beneficiary for them to raise the issue with their bank. It also provided the Unique end-to-end transaction reference (UETR) to assist in locating the payment with the beneficiary's bank.

NatWest apologised for the inconvenience the issues had caused Mrs M. It also paid £100 goodwill gesture and waived the £25 international payment investigation fee.

Our investigator didn't think NatWest needed to do anything more. They explained NatWest had provided evidence it had chased the third party intermediary bank several times, but ultimately it could not control what this third party was doing.

In response to our investigators recommendation, Mrs M explained they thought NatWest's systems hadn't requested sufficient detail to send the payment to the correct bank in the first place. She said the detail NatWest had requested for the transfer was '*part intermediary and part final recipient*' stating NatWest routed the funds incorrectly in the first place.

NatWest has since provided evidence the intermediary bank emailed it on 24 August 2024, explaining the funds were in fact credited to the final beneficiary account by an '*ACH transfer*' (similar to BACS payments in the UK) on 20 October 2023, so were no longer with the intermediary bank. The email also explained this bank was still trying to recover the funds from the beneficiary's bank.

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 was sorry to hear of the difficulties Mrs M and her husband have had with this transfer and can see how distressing and upsetting this situation must be for them. I do appreciate how strongly they feel about their complaint.

Although I may not mention every point raised, I have considered everything but limited my findings to the areas which impact the outcome of the case. No discourtesy is intended by this, it just reflects the informal nature of our service.

It may help if I first describe the process for international transfers. Banks do not always have direct business relationship with all other banks and so in some cases there may need to use an intermediary bank, or correspondent bank, when processing international payments to join up the sending and receiving banks.

To send payments abroad, customers need to provide the correct SWIFT (Society for Worldwide Interbank Financial Telecommunication) BIC (which stands for Bank Identifier Code) for the bank in question. The SWIFT system is a secure messaging system that allows banks to instruct each other on payments and accounts that they hold with each other.

They also need to provide the following:

- The account number, name and address of the recipient
- The name and address of the recipient's bank
- A combination of identification codes such as BIC, IBAN and country code
- The amount of money to be sent and the currency

The BIC is the code that identifies the payee's bank. It's issued by SWIFT and is used in the majority of international electronic transfers. The code contains the details needed to ensure the transfer is routed through correctly.

Our service asked NatWest to provide the information entered onto its system for the transfer and to provide information about the process in its app for international transfers.

It provided our service with a record of the transfer, including a screen shot from its systems of the information entered. I can see all four elements of the required details above were completed on the system and the payment was sent to an intermediary bank in the country Mrs M was trying to send the funds. I can also see the BIC was correct for the bank Mrs M was sending the money too.

NatWest has provided further evidence the transferred funds remained with this intermediary bank for a period of time after the transfer to it. NatWest has provided a screenshot of the transfer form showing it reached the intermediary bank on the afternoon of the 29 September, where it remained.

From the information I have, it appears, on balance, NatWest did route the funds correctly. I can see it arrived at the intermediary bank in good time and it is the transfer from this bank to the beneficiary's bank which was delayed.

Furthermore, I have seen evidence from this intermediary bank, provided to NatWest, there were problems with its systems following an update. The intermediary bank sent a SWIFT message to NatWest explaining the following: *'Please note we are in process of investigating your queries our process system was changed as at October 2023 and some issues were encountered as a result we are currently investigating non debits to our account and confirming that onward funds reach the beneficiary banks successfully [sic]'*

On balance I am persuaded this is where the delay occurred, and therefore do not think it was due to any fault by NatWest.

Where a transfer appears to have become lost in the system, as it has here, I would expect the bank to make necessary enquiries through the SWIFT messaging system. These enquires should seek to find out what has happened to the money and to take prompt, reasonable steps to ensure that the matter is resolved. Our service would expect the bank to be able to provide documentary evidence to show what enquiries and steps it took.

NatWest has provided evidence from its payments systems showing between early October 2023, soon after Mrs M raised the issues, and mid-December 2023 it contacted and chased the intermediary bank several times through SWIFT concerning the lost transfer, asking it to cancel the payment.

I can also see NatWest have continued to chase for the payment and recently received an update concerning the payment, that it appears to have made the onward payment via a different system to the beneficiaries bank in October 2023. Whilst I can appreciate this information will be disappointing and potentially demonstrates communication issues with the banking systems in the country Mrs M were sending funds too, I again do not think it demonstrates a failure by NatWest.

I also note NatWest has provided information to Mrs M for them to make their own enquires with the beneficiary they paid in its response letter. I think, on balance, this is reasonable and helpful, and can understand why NatWest have suggested this course of action. I do not think on balance, considering the above, NatWest has done anything incorrectly.

In summary, NatWest sent the funds in good time to the correct intermediary bank, which confirmed receipt on the same day the funds were sent. The intermediary bank has confirmed it had issues due to a system update and I am satisfied from the evidence provided by NatWest, on balance, this is where the delay occurred.

NatWest has provided evidence it chased the intermediary bank via SWIFT, as our service would expect, for these payments and provided evidence it did so and continues to do so.

As I have said, this complaint is about NatWest and whether there was any culpability on its part for the failure of the transfer and the payment not reaching its final beneficiary.

For the reasons I have given above, having considered the evidence I do not think, on balance, it would be fair or reasonable to hold NatWest accountable for these issues.

I appreciate NatWest has waived the international transfer investigation fee on this occasion and provided a £100 goodwill gesture, I don't think NatWest needs to do anymore. From the evidence I have seen I am persuaded NatWest will continue to assist Mrs M and her husband.

I therefore do not uphold this complaint.

I appreciate Mrs M may be disappointed with my decision, but I hope I have explained in sufficient detail why I do not think it fair or reasonable to hold NatWest accountable for the unfortunate and clearly frustrating situation that has occurred.

My final decision

For the reasons I have given, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M to accept or reject my decision before 27 December 2024.

Gareth Jones
Ombudsman