

## The complaint

Mrs H complains that HiFX Europe Limited trading as Xe Money Transfer (Xe) hasn't returned money from a failed transaction to her account. She would like the money returned and compensation for the distress and inconvenience.

## What happened

Mrs H says she wanted to make a foreign transfer on 25 March 2024. She says when it became apparent, she couldn't transfer the money in the way she wanted she asked for the payment to be returned. She says she made a lot of phone calls and online chats as the receiving bank was unable to trace the payment. She believed the payment had been made into the wrong account.

Xe said it correctly returned the payment to the account the payment was made from, and tried to help Mrs H as much as it could.

Our investigator upheld Mrs H's complaint. He understood although Mrs H's name was on the payment instruction the account details weren't hers. He felt Xe could have been more helpful in trying to resolve where the money was, and should have confirmed with Mrs H the account she wanted the money transferred back to. He recommended Xe pay Mrs H £150 compensation for the distress and inconvenience.

I issued a provisional decision in which I decided: -

- I appreciated this issue must have caused Mrs H some considerable distress. The payment in question was a significant one and although the funds had now been returned this did take some months. I understood there was a small discrepancy of \$3.80 between the original sum transferred and the refund which Xe agreed to refund. This seemed fair to me.
- The crux of the issue was that Xe returned the funds to the account that the original payment was made from rather than checking if Mrs H wanted the payment made elsewhere.
- There was some debate as to whether the payment was a refund or a rejected payment. I didn't think the technicality as to whether the payment was a rejected one being returned or a refund was relevant. What was relevant was from all the correspondence I have seen, was that Xe made it clear the payment would be returned to the account the payment came from. And I saw no evidence that Mrs H didn't want this.
- In correspondence dated 10 April 2024 – relatively soon after she requested the money be returned to her - Mrs H referred to a phone call with Xe where she was told 'the payment will be made back to the original account'. She didn't express any concern with this, or state this isn't what she wanted.
- Xe evidenced it made the payment as it said it would – back to the originating account. It also gave a possible explanation of what might have happened at the

receiving bank which seems likely to be the case, in that the receiving bank seemed to have used an internal account for US currency payments. I concluded Xe tried to help Mrs H as much as it could.

- As Xe promptly returned the payment the day after Mrs H tried to make it and returned it in the way it said it would I couldn't find it was at fault. So, whilst I appreciated the distress and inconvenience caused, I couldn't reasonably ask Xe to compensate her for 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.

Xe has not responded to my provisional decision, but Mrs H has.

I think Xe has had sufficient time to give me any further information if it wished to do so. In fairness to Mrs H I think it's reasonable to go ahead and now make my final decision taking into account the comments she has made which I have carefully considered.

Mrs H has told us she wasn't aware of the details of the originating bank account as shown on the transfer form. I think the issue here is that if the originating bank's process used a holding account to make and receive back the payment that is not something that Xe is responsible for. It is something Mrs H might want to raise with the originating bank. In this decision I can only comment on Xe's actions and how they impacted on Mrs H not on those of another business.

I am not persuaded the technicality of whether the payment was actioned as a returned payment, or a refund is relevant here. I don't think it was unreasonable for Xe to make the payment back to the account it came from. That seems a logical process, and it did advise Mrs H it was doing this. Xe wouldn't necessarily have known the originating banks processes for foreign transfers, and having received the initial transfer without a problem, I think it could have reasonably expected that returning the payment the same way wouldn't have caused a problem.

Whilst I do sympathise with the undoubted stress and inconvenience for Mrs H, I am not persuaded that Xe is responsible for this. So, I can't reasonably ask Xe to compensate Mrs H as she has requested.

### **My final decision**

My final decision is that I don't uphold this complaint.

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

Bridget Makins  
**Ombudsman**