

The complaint

Mrs D complains about a payment that wasn't received into her bank account with Nationwide Building Society ("Nationwide").

What happened

Mrs D's father sent her a payment from his bank abroad that wasn't received. When Mrs D made enquiries to find out where the money was, she eventually found it had been rejected by Nationwide before it entered her account.

Nationwide said the full name of the sender (Mrs D's father) wasn't fully complete on the instruction. It said to meet regulatory requirements, this was required.

Mrs D says that when the payment was received a second time from her father, the amount was less than the first payment, as there was a loss from the conversion when the money was returned. Mrs D says Nationwide is responsible for this loss, and the trouble and upset it caused by not accepting the payment. So, she logged a complaint with Nationwide.

Nationwide looked into the complaint but didn't think it had done anything wrong by rejecting the payment. It reiterated that the full name of the sender wasn't completed correctly. Mrs D remained unhappy, so she brought her complaint to our service.

Our investigator looked into the complaint and upheld it in part. He found Nationwide should've made further enquiries about the discrepancy with the name and thought Nationwide should pay Mrs D £200 for the trouble and upset it caused. But he didn't find Nationwide needed to refund the difference between the two payments, or the loss in currency conversion.

Mrs D responded to the investigator's view and agreed with the £200 compensation, but also thought the loss in conversion should have been included. So, the complaint was passed to me to decide.

I emailed Mrs D on 19 November 2024 to say that I was intending to come to a different outcome to the investigator and not uphold the complaint. I hadn't found that Nationwide treated Mrs D unfairly or that it had gone against the terms and conditions of the account when it had rejected the payment. So, I didn't think Nationwide needed to pay the £200 compensation recommended by the investigator.

Mrs D responded to say she didn't agree with the outcome, so it's been passed back to me for a final decision.

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'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed

on what I think is the heart of the matter here. If there's something I've not 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 or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

It's worth me setting out from the start that I can only consider the impact this complaint has had on Mrs D and her account, as she's the customer and has the necessary relationship with Nationwide. I say this as Mrs D is asking for compensation for a loss created by the exchange rate when the funds were returned. I've considered this point carefully and I don't agree that this is Mrs D's loss. The loss is the sender's, who in these circumstances is her father. I understand he was then unable to send the full amount back, but that transaction is separate from the one this complaint is about. And as I've mentioned above, Mrs D's father isn't bringing the complaint.

I also find it most likely that the exchange was completed by the intermediary bank rather than Nationwide, as Mrs D has suggested. I say this as an intermediary is usually used for this purpose. And as Nationwide didn't accept the payment, I find it unlikely it would've converted it.

In my email to Mrs D, I said that Nationwide followed the guidance set out in the Funds Transfer Regulation. Within this guidance it specifies that for overseas payments it requires the full name, address and account details of the payer. Based on the information I've seen, Mrs D's father's bank as the sender here didn't provide his full name. So, it follows that I don't find Nationwide was at fault when it followed this guidance and refused to accept the payment.

In some circumstances banks may pause the payment and request the missing information where it picks up an error from the sending bank. This is a decision left to the bank to make, and amongst other things, something it needs to consider is how readily available the missing information would be and how long it would take to obtain it.

In the circumstances of this complaint, Nationwide made the decision to reject the payment, something it is allowed to do. I've asked why Nationwide took that decision rather than to request the information, and they have responded to say that they wouldn't have been able to obtain the information in a timely manner due to the volume of payments being processed. This is something I understand given there was an intermediary bank involved, and any request would've needed to go through them first.

Having checked the terms and conditions of Mrs D's account, it says:

20. 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.

So having considered the complaint in full, I'm satisfied no mistake has been made and Mrs D wasn't treated unfairly when the payment was rejected. So, I don't require Nationwide to pay any compensation.

In regard to the delays in the money being returned to Mrs D's father, unfortunately this was something that impacted him rather than his daughter. So, I don't find it's something I

need to consider as part of this complaint.

I understand Mrs D's father has said on the 2nd of May 2023, he was asked by his bank for personal information that should have allowed the payment to go through. Nationwide has confirmed that as of the 10 May 2023 when it rejected the payment, the payment was still showing the incorrect name.

I'm very aware that I've summarised this complaint briefly, in less detail than has been provided, and in my own words. No discourtesy is intended by this. Instead, I've focussed on what I think is the heart of the matter here. If there's something I've not 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 or argument to be able to reach what I think is the right outcome. Our rules allow me to do this. This simply reflects the informal nature of our service as a free alternative to the courts.

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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 D to accept or reject my decision before 10 March 2025.

Tom Wagstaff
Ombudsman