

The complaint

X complains that she suffered a currency exchange rate loss because of the way Nationwide Building Society handled the international payment she made to a relative abroad.

What happened

In December 2024, I issued my provisional decision on this complaint. I wanted to give both parties a chance to provide any more evidence and arguments before I issued my final decision. That provisional decision forms part of this final decision and is copied below.

“What happened

On 30 April 2024 X made an international payment of £17,000 to her relative abroad. She made the payment using Nationwide’s online banking service. She instructed Nationwide to convert the payment to the currency in which her relative’s account was held.

On 5 May 2024 X chased Nationwide about the payment, which had not been received by her relative. She says she continued to chase Nationwide about the payment and was told it could take up to 20 working days to reach the beneficiary’s (her relative’s) account.

On 21 May 2024 Nationwide re-credited X’s account with the original payment, which it said had been returned by the beneficiary’s bank. As exchange rates had moved against X, Nationwide did not return the full amount to her. It returned the amount of £16,464.22, which was an exchange rate loss to X of £535.78.

X complained to Nationwide. The society said on 8 May 2024 it sent X a message using internet banking to ask her for further information about her relative and the reason she was sending money to him. Nationwide had asked for the information within four working days. As X had not replied, the beneficiary’s bank had returned the payment. Nationwide said it had warned X that the amount returned may differ if the payment was rejected by the beneficiary’s bank. It said it was not responsible for the beneficiary’s bank rejecting the payment.

Unhappy with the response, X complained to us. She said she did not receive the message of 8 May 2024. In any event, she said she had been chasing the payment with Nationwide and it had not told her it was waiting for information from her.

Our Investigator looked into the complaint and did not uphold it. She concluded Nationwide had told X that it needed additional information within four working days. X did not provide it and so our Investigator did not consider Nationwide was responsible for X’s currency exchange rate loss.

X asked for an Ombudsman’s review. She said she didn’t realise there was a message in her online banking. She restated her point that Nationwide knew she had been chasing the payment.

I made a preliminary review of the complaint and asked our Investigator to obtain some

additional information from Nationwide, which it has now provided. I'll set out the material additional information below.

What I've provisionally 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'll summarise what I understand to be the key timeline from the information I've received:

30 April 2024 X sent the £17,000 payment to the beneficiary's bank abroad.

2 May 2024 Nationwide's clearing bank (which I'll call H) asked Nationwide for additional information about the beneficiary, X's relationship with him and the purpose of the transaction. H had received this request from the beneficiary's bank via SWIFT (the secure message service for international payments).

3 May 2024 H chased Nationwide for the requested information.

5 May 2024 X contacted Nationwide about the payment, which her relative had not received. Nationwide created a 'payment recovery' which it says is used when a payment has not reached its intended destination.

8 May 2024 H chased Nationwide for the information requested in the SWIFT message. Nationwide said it sent a message to X using internet banking asking for the requested information. Nationwide said it also sent an email to X to alert her there was a message waiting for her in internet banking.

10 May 2024 H sent Nationwide a further chaser for the information in the SWIFT message. Nationwide responded to say it was waiting for this information from X.

14 May 2024 H sent Nationwide a message, which said "Due to no response, we are closing this our end". H requested the money be returned to Nationwide due to non-response.

15 May 2024 X contacted Nationwide using its chat bot service. She said Nationwide had agreed to track the payment (on 5 May 2024) and get back to her. Nationwide has shown that X did not log into her account between 6 May 2024 and 14 May 2024.

20 May 2024 The money was returned to H and then to Nationwide.

21 May 2024 The original payment was credited to X's Nationwide account (less the exchange rate loss).

Having considered all the evidence, I currently think the fair outcome is for Nationwide to pay X the amount of £535.78, being the exchange rate loss together with 8% simple interest as set out below. I'll explain my reasons, focusing on what I consider to be the key points.

Nationwide says it was not responsible for the beneficiary's bank rejecting the payment. But the beneficiary's bank had not rejected the payment, but rather it had asked for additional information about the beneficiary and the reason for the payment.

Nationwide accepts that it received the SWIFT request for additional information on 2 May 2024. It was not until 8 May 2024 that it contacted X, which was outside Nationwide's internal service standards. But X had contacted Nationwide on 5 May 2024 about the payment. At this point I think Nationwide should reasonably have told X that it had received

the SWIFT message requesting further information.

If Nationwide had told X it needed the additional information in response to her chaser of 5 May 2024 I think it is more likely than not, on balance, that she would have given it the requested information at that point. I say this because she was sending the money to a close relative (and she had told Nationwide their relationship in the original payment instruction). I think it's likely she could have obtained the requested information, which included readily available details such as his passport number and explained the reason for her payment in more detail.

Nationwide's records show that on 8 May 2024 it sent X a message using her unique customer number. The evidence I've seen shows that X did not log into her account between 6 and 14 May 2024. I've not seen any evidence to show that Nationwide also emailed X to say she had a message waiting for her in online banking. If it had done, I think it's likely, on balance, that she'd have logged in. She had sent a substantial amount of money and had already contacted Nationwide to chase the payment.

Nationwide says it had warned X – at the time she sent the payment - of the risk of an exchange rate loss if the payment was returned by the beneficiary's bank. Nationwide has not sent me evidence to show it gave her the warning before she sent the payment. But even if it did warn X before she sent the money I don't think this changes my proposed outcome. I say this as I consider the payment was returned to the beneficiary's bank because Nationwide failed to ask X for the requested information in a timely and reasonable way. I think it's fair for Nationwide to be responsible for the currency exchange rate loss suffered by X of £535.78, together with interest at the simple rate of 8% as set out below.

My provisional decision

For the reasons I've explained, my provisional decision is that I intend to uphold this complaint. I am minded to require Nationwide Building Society to pay X £535.78 representing the currency exchange rate loss. Nationwide should add interest to this amount at the simple rate of 8% per year from 21 May 2024 when it recredited her account to the date of settlement.*

**If Nationwide considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell X how much it's taken off. It should also give X a tax deduction certificate if she asks for one, so X can reclaim the tax from HM Revenue & Customs if appropriate."*

Responses to my provisional decision

X responded to thank me for looking at the matter closely and to say she hoped Nationwide accepted its mistake and would pay her compensation. In summary, she said:

- She transferred the money online so she wasn't sure how and when Nationwide had warned her of the risk of an exchange rate loss if the payment was returned by her relative's (the beneficiary) bank. She knew there was an exchange rate to send the money but she didn't know she would be charged twice if the money was returned. She said she lost around £1,000. If she needed to pay again she'd have to pay another £500 to resend the money. This loss is due to poor communication by Nationwide.
- Nationwide didn't ask her for additional information even when she contacted it on (and after) 5 May 2024 saying she was looking for her money.

Nationwide responded to say it didn't accept my provisional decision. In summary, Nationwide said:

- It accepted my point that the beneficiary bank had rejected the payment only when the information it had requested wasn't provided. The information it had given me earlier that it had requested the information from X outside its service level agreement (SLA) wasn't, in fact, correct.
- Nationwide received the beneficiary bank's request on Thursday 2 May 2024 at 16:27. As this is after its internal cut off time of 16:00, it classes the request as being received on Friday 3 May 2024. Monday 6 May 2024 was a Bank Holiday. Its SLA is two working days, which means it had to deal with the request by Wednesday 8 May 2024.
- It did meet its SLA as it was on 8 May 2024 that it sent X a message in her internet banking together with an email message to X saying there was a message waiting for her in her internet banking. This message is sent automatically and, while it can't show actual evidence of the message being sent, it sent me a sample of the message it says X would have received. The message is sent by an automated process and there's nothing to suggest the email wasn't sent to X.
- X called Nationwide on Sunday 5 May 2024 about the delay. But at that stage it hadn't actioned the message from the beneficiary bank – and that is why it didn't tell her about the information request.
- It restated its earlier point about the warning shown on its website about the risk of international payments being returned and that the amount the consumer gets back might be less than they sent.
- It followed the correct process here and so it doesn't accept it was at fault.

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've carefully considered all the comments that I've received in response to my provisional decision. Having done so, they don't persuade me to change the findings that I reached in my earlier decision. I confirm those findings here for the reasons set out in my provisional decision and below. I'll focus on the comments made by the parties.

I've noted that Nationwide says it followed its own process. I understand that given the Bank Holiday Nationwide has said that it did, in fact, meet its SLA.

But I don't consider the fact that Nationwide says it met its own internal process and SLA means, of itself, that it treated X fairly in this case.

As I said in my earlier decision, Nationwide knew that X was chasing for an update about the international payment on 5 May 2024 because her relative hadn't received the payment. At this point, Nationwide also knew that the beneficiary bank was seeking additional information from X. As X says, Nationwide didn't tell her that it was waiting for additional information from her. It seems to me that had its staff made a simple enquiry of the relevant internal team it could quickly have explained to X that it needed additional information. I am still of the view that X is likely to have been able to provide that information.

Nationwide has referred to its website warning that says, next to an exclamation point in a red dot:

"Note: If you don't include all of this information, your payment may be rejected. Because of exchange rates and any charges applied by the bank you're trying to

send the payment to, the amount you get back might also be less than you sent.”

Nationwide has not shown me any evidence that X would have seen this warning before making the payment. But, even if it had, I'm not persuaded that the payment was rejected because she failed to provide *“all of this information”*. From the evidence I've seen, the online form did not allow X to anticipate and then provide the information that the receiving bank later requested. I don't accept the payment failed because of anything X did wrong.

Nationwide cannot show that it sent an email to X to tell her to check her internet banking. The evidence shows that X did not log into her internet banking between 6 and 14 May 2024. I remain of the view that it's likely X would have logged in had she received that message. She had sent a substantial amount of money to her relative and had already chased Nationwide about it, and I don't think it's likely she'd have failed to check that message.

Even if I accept, on balance, that Nationwide sent the email to X asking her to check her internet banking, this doesn't change what is, in my opinion, a fair and reasonable outcome to this complaint. I say this because X had already contacted Nationwide about the payment and it could reasonably have told her at the time of her request – or at the latest on the next working day – the information that it required. I've explained why I think she could have given Nationwide the information and this would likely have prevented the payment being rejected and the exchange rate loss.

I've considered what X has said about the loss to her. In my view, her loss is £535.78 being the difference between her payment of £17,000 and the amount she received back of £16,464.22.

Putting things right

I require Nationwide Building Society to pay X the amount of £535.78 representing the currency exchange rate loss. Nationwide should add interest* to this amount at the simple rate of 8% per year from 21 May 2024 when it reccredited her account to the date of settlement.

*If Nationwide considers that it's required by HM Revenue & Customs to deduct income tax from that interest, it should tell X how much it's taken off. It should also give X a tax deduction certificate if she asks for one, so X can reclaim the tax from HM Revenue & Customs if appropriate.”

My final decision

For the reasons I've set out, my final decision is that I uphold this complaint. I require Nationwide Building Society to take the steps set out in the *“Putting things right”* section above.

Under the rules of the Financial Ombudsman Service, I'm required to ask X to accept or reject my decision before 24 February 2025.

Amanda Maycock
Ombudsman