

The complaint

Mr L complains Nationwide Building Society (NBS) provided poor customer service when he sent an international payment from his account.

What happened

Mr L says in mid-August 2024 he sent an international payment to his daughter's bank account in Denmark for £9,000. When it didn't arrive Mr L called NBS and he was told the payment would arrive in the next day or so, but it didn't and again Mr L says he was assured it would arrive in the next few days.

Mr L says when the international payment failed to materialise he complained to NBS who at that point advised him it had received a request for further information (RFI) on 13 August 2024 and told him it had replied to that the following day. Mr L says NBS advised that its intermediary bank had forwarded the payment to the Danish bank on 16 August 2024.

Mr L says he spoke to NBS in early September 2024 asking for the funds to be returned as it became clear it had no control over the status of the payment or when it would be received by his daughter.

Mr L says when the funds were returned there was a shortfall of £331 due to exchange rate fluctuations and while NBS paid him £100 for the misinformation it should also cover the loss he incurred in full, along with the £20 payment fee. Mr L wants NBS to improve its process and systems, so it has more control over the whereabouts of international payments even if that means charging more for it.

NBS says it accepts Mr L was given incorrect information regarding the timescales of when the international payment would arrive and paid him £100 for that. NBS says it received a RFI and responded to that immediately and it was informed by its intermediary bank, that the funds had been released to the beneficiary bank on 16 August 2024. NBS pointed out that it couldn't predict when it may be asked for a RFI but must comply with the request. NBS says it provided Mr L with a payment reference that would enable the beneficiary bank to locate the payment for his daughter.

NBS says it was not at fault why the payment couldn't be located by the beneficiary bank. NBS says it recalled the payment as instructed and it couldn't be held responsible for the exchange loss incurred.

Mr L wasn't happy with NBS's response and referred the matter to this service.

The investigator looked at all the available information but didn't uphold the complaint. The investigator accepted NBS did provide Mr L misleading information regarding the timescales for the completion of the transfer, but the £100 it had paid was sufficient.

The investigator says she was satisfied NBS had completed its part of the transfer correctly and she couldn't place the responsibility for the failings of the beneficiary bank on NBS.

The investigator says NBS carried out the recall of the funds but due to fluctuations in the exchange rate the amount returned was less than was sent but as NBS had carried out its part of the transfer correctly it would be unfair to ask it to refund the exchange rate difference.

Mr L didn't agree with the investigator's view and asked for the matter to be referred to an ombudsman 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.

Having done so, I won't be upholding this complaint and I will explain how I have come to my decision.

I can understand it would have been frustrating and upsetting for Mr L to have sent an international payment to his daughter only to be told it couldn't be located and then suffer an exchange rate loss as a result.

When looking at this complaint I will consider if NBS were responsible for the reason why Mr L's international payment to his daughter's account in Denmark, couldn't be identified by the beneficiary bank.

The first thing to say here is that Mr L, as part of his complaint, asked this service to insist that NBS introduce corrective and preventive actions relating to its procedures and processes surrounding international payments. As explained by the investigator this service isn't a regulator, that's the role of the Financial Conduct Authority (FCA), my role here is to consider what's fair and reasonable in the individual circumstances of a complaint.

Mr L's complaint centres around the issues he faced when sending funds via an international payment to his daughter's Danish bank account. Mr L is unhappy that NBS were unable to know at any point where the payment was and therefore had no control of this, nor could it guarantee when the payment would be received by the beneficiary bank.

While I understand the points Mr L makes here and I have some sympathy with his situation, it's worth saying that most banks will often use intermediary and correspondent banks when undertaking international payments for its customers when it doesn't have a direct relationship with the beneficiary bank. Here, from the information I have seen the payment instruction and information contained in that were completed online by Mr L on 12 August 2024, and so it's fair to say NBS would have sent the payment with those details.

From what I can see the correspondent bank rejected the payment and asked NBS for further information regarding the payment on 13 August 2024, and NBS responded to that on 14 August 2024. So, it's reasonable to say that given the payment instruction was completed by Mr L and not NBS, I can't hold NBS responsible for any delays caused by the correspondent bank requesting further details or information. What is clear is NBS responded to the correspondent banks request the following day, so any delays here can't be attributed to NBS, as I'm satisfied it had done what had been asked of them.

While Mr L may not agree, once the payment is with the correspondent/intermediary bank NBS are to some extent reliant on those banks to forward the payment to the beneficiary bank and all we would expect here is for NBS to chase or recall the payment and that is what happened here. Additionally, I can see that Mr L requested the payment to be recalled and NBS did that, but unfortunately given exchange rate movements a loss of around £300

was incurred, but again I can't hold NBS responsible for that as they weren't at fault for why the payment wasn't received by the beneficiary for the reasons I have said.

That said, I agree NBS shouldn't have indicated to Mr L the timescales for receipt of the payment, as while in normal circumstances this might take a few days, the fact remains it is reliant on the intermediary bank to carry out the payment instructions. That said NBS have acknowledged this and apologised and paid Mr L £100 for the misinformation and I'm satisfied that is reasonable.

While Mr L will be disappointed with my decision, I won't be asking anymore of NBS.

My final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 16 April 2025.

Barry White
Ombudsman