

The complaint

Mr W complains about the service he received in relation to an overseas transfer he attempted to make at a branch of Nationwide Building Society.

What happened

Mr W made an overseas Swift payment from his Nationwide account on 18 December 2024. He said this was supposed to arrive in two days, but on 30 December he was texted that the money had been refunded to his account less a currency exchange adjustment. He visited a Nationwide branch and said he was promised a call back to explain, but this didn't happen.

Mr W called Nationwide to complain on 3 January 2025 and said he was promised a response within five days but had to wait until the end of January. He said Nationwide suggested he had provided an incorrect 'IBAN code' for his payment, but he still has a record of the correct number. He said if the number was wrong, the Swift software would flag the error and reject the payment, instead of which he was given the transaction receipt.

Mr W said Nationwide also told him he signed the receipt bearing a short version of the IBAN code. But he said his copy does not bear his signature.

Nationwide apologised for its delayed response to the complaint as it hadn't been correctly recorded. It said there were missing characters in the IBAN code that the system flagged when the payment was to be processed, though not at the branch. Nationwide offered Mr W £150 compensation, a refund of the £20 transfer fee and the currency difference of £4.73.

Mr W rejected Nationwide's offer and asked for £250 compensation. He said Nationwide still refused to accept its error and failed to address the severe delay in dealing with the issue. He asked Nationwide to 're-do their systems' so errors don't happen to other people. As to the impact, Mr W said this was more on the intended recipient of the payment who was in a very difficult personal and financial situation. Mr W referred his complaint to our service.

Our investigator said Nationwide's copy of the Swift payment signed by Mr W shows the IBAN code matched the one seen by the investigator. He said Mr W thought Nationwide hadn't accepted its error. But the investigator pointed out that Nationwide said its branch staff should have checked and confirmed the payment details before processing, and as there's no evidence of this it couldn't say it hadn't made an error.

The Investigator was satisfied that Nationwide acted correctly to return Mr W's funds. And said Nationwide compensated Mr W fairly for his frustration and inconvenience. Consequently, the investigator didn't recommend that the complaint be upheld. Mr W wasn't satisfied with this response and requested an ombudsman view his complaint. He said although Nationwide returned his payment and charges, with compensation, it said nothing about preventing a recurrence of this issue. He said Nationwide need to retrain their staff and tell him they have done so. He added that other banks' software immediately alerts an insufficient number of Swift code characters and so Nationwide must have known that the transfer was rejected, instead of 12 days later and should have contacted him immediately.

Mr W said Nationwide stated he had signed a receipt with the mistaken code, but his copy doesn't have his signature and so Nationwide has made a potentially fraudulent statement. He said Nationwide opened a case into this matter before telling him it had been closed on 30 December and this was willfully negligent, as it should have contacted him immediately.

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 learn that what should have been a straightforward payment process has turned into a prolonged and frustrating experience for Mr W. My role is to determine whether what took place was reasonable and whether Nationwide followed the process correctly. In assessing whether Nationwide acted fairly, and has paid fair compensation to Mr W, I've taken into account the relevant rules and guidelines along with good industry practice.

Nationwide has only acknowledged a delay in addressing Mr W's account and complaint and surprise that the IBAN code error wasn't identified at the branch where he sought to make the payment. Nationwide said that as it cannot evidence its branch staff entered the correct details it would be unfair for it to say no error had been made.

From its records Nationwide holds a copy of the SWIFT transfer request form apparently signed by Mr W. I've seen nothing to suggest that this is fraudulent. It is clear that the information on the form used for the payment was incorrect, but it isn't clear to me where the error with the entry of the IBAN code originated. The error caused Mr W's payment not to be processed and I sympathise with him for the impact on the intended recipient. But I can't say for certain that this was Nationwide's mistake.

However, I take Mr W's point that if he had handover a payment instruction with insufficient characters to be processed this should have been obvious at the time, not 12 days later. And his point that the payment receipt from Nationwide implies the transfer has occurred.

Nationwide said it wanted to 'make sure we learn from our mistakes' in its letter to Mr W of 8 January 2025. And suggests an expectation on staff to make appropriate checks. Mr W said this should be by requiring its staff to ensure that Swift transfers have 22 characters for entering into the software, so customers won't be debited for the payment unless it is being processed. I agree with Mr W and although, since we are not the financial regulator, we can't insist that Nationwide changes its process, I think Mr W makes a straightforward and practical suggestion that Nationwide should adopt.

Mr W has said that it should have been obvious to Nationwide the payment wouldn't be processed while he was still at the branch. This links to the point addressed above and would be resolved by a requirement for checking the IBAN code. As to Mr W's complaint delay, Nationwide has explained and apologised for what happened and I think that is a fair response. The delay on notifying Mr W about his 'case being closed' on 30 December 2024, appears to be due to the holiday period intervening.

Turning to compensation, Mr W has said the impact was on the intended recipient of the payment, not himself. The complaint is brought by Mr W, and we cannot award compensation to a person who is not a party to the complaint. I understand that Nationwide has now paid Mr W £150 compensation and £20 for the Swift fee, plus £4.75 to refund the currency adjustment. I think that this is fair and reasonable in the circumstances of Mr W's complaint. And furthermore, it is in accordance with our website guidance for issues of this type and consistent with the awards made in many similar circumstances.

Our service investigates the merits of complaints on an individual basis, and that is what I've done here. I think it's important to explain that my decision is final. I realise that Mr W will be disappointed by this outcome though I hope he appreciates the reasons why I have reached this decision.

My final decision

For the reasons I have given it is my final decision that the complaint is not upheld.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr W to accept or reject my decision before 6 August 2025.

Andrew Fraser
Ombudsman