

The complaint

Mr P's unhappy with the loss incurred after two international payments were rejected. He thinks National Westminster Bank Public Limited Company (NatWest) should have done more to prevent this loss.

What happened

In late June 2024, Mr P sent payments of £5,034.39 and £5,009.95 to a relative's account in the USA. NatWest deducted a fee for each transaction and the payments were converted to \$6,250 and \$6,175 before being sent. However, the payments were rejected by the beneficiary bank as they didn't accept "third-party wire transfers".

The payments were returned to NatWest and had to be converted to pounds sterling before they could credit the account. NatWest contacted Mr P to make him aware that this would lead to a loss due to the change in currency exchange rates. Mr P didn't accept this loss and requested that the payments were redirected to a different US bank or paid to him in cash as he wasn't able to open a currency account with them. NatWest were unable to do this, so Mr P raised a complaint.

NatWest explained that they weren't liable for the currency exchange loss and their policy doesn't allow them to reroute payments. They added that currency accounts are only available for corporate, commercial and business customers. So, they would credit the payments in pounds sterling to Mr P's account, he could then make new payments to a different bank. Unhappy with this, Mr P referred the complaint to our service and shortly after, the converted amounts of £4,748.82 and £4,646.21 credited Mr P's account

An Investigator reviewed the complaint. They didn't think NatWest were at fault as the rejection wasn't due to their error and it was reasonable to credit the funds and request that Mr P makes a new payment. There was also some confusion over what fees were charged, so they clarified that NatWest charged £8.50 for sending each payment.

Mr P remained unhappy as he didn't think a reasonable person would check that the funds could be received before sending them. He also thought it was unfair for him to be held liable for the loss. As such, the complaint has been passed 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 can see that Mr P feels strongly that he's been treated unfairly. While I may not comment on everything that's been raised, I've still taken it on board. I'll be commenting on the points that I think are key to the outcome.

It's not our service's role to tell a business to change its processes. But we must consider whether a business has acted fairly and reasonably in all the circumstances of a complaint,

taking into account rules, regulations, industry guidelines and best practice at the time the event took place.

The system notes provided by NatWest supports what they've said about the rejections – that the receiving bank for both payments didn't accept international transfers. Mr P instructed NatWest to send the funds using the details he provided. Mr P doesn't think the onus is on him to check what the receiving bank can accept, but it's not NatWest's responsibility to do this. They don't have a direct relationship with the receiver of the funds and they can't control the actions of another bank. Their role is to make the payment based on Mr P's instructions.

When the payments were rejected, NatWest advised that they could either re-attempt the payment or credit the account after currency conversion. NatWest refused to re-route the payment to a new bank without a new payment being initiated as it's not in line with their processes and I can see why. International payments need to be made with specific details in order to pass through correspondent banks and be accepted by the beneficiary. If payment details are incorrect or left over from a previous payment, it can lead to delays and/or rejection.

I can see that the account terms and conditions set out that NatWest will re-credit returned payments in the currency the payment was made from, which could lead to losses. So, I'm satisfied that they acted in line with these terms when providing Mr P with his options, and while a currency account was discussed, Mr P wouldn't have been eligible for it as he wasn't a commercial, corporate or business customer.

I appreciate that Mr P was surprised at the size of the loss, but I cannot hold NatWest responsible for fluctuations in the exchange rate that occurred. Ultimately, Mr P instructed NatWest to make the payments, and they followed his instructions. When the payments were returned, I think they did what they could to help Mr P by waiting to see if the transfers could be sent again instead of crediting the account straight away – which they are able to do.

Based on the above, I don't think NatWest are liable for the losses incurred due to the rejected payments and the conversion back to pounds sterling, as I think they've acted reasonably in the circumstances.

My final decision

For the reasons explained above, I'm not upholding the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 2 October 2025.

Chris Lowe
Ombudsman