

The complaint

P, a limited company, complains that Santander UK Plc converted a payment P received into US Dollars (USD) when it was credited causing a loss.

What happened

P explains that it was due to receive a payment of over 13,400 Euros. The customer that sent the payment used the account details for P's USD currency account. When the payment was received Santander converted it into USD without contacting P. And P says this resulted in an exchange loss of some 500 USD.

Santander said it hadn't made a mistake. It said that P had been sent the payment using the SWIFT international payment system. Santander said it had no reason not to follow this instruction or say to return the payment as P had indicated it might. It had used the market reference exchange rate to convert the payment and there was no facility for P to have booked a rate for an inbound payment. It said it wouldn't be able to accept alternative instructions about where the payment should be credited. And that if P's customer had sent the payment to the wrong account, then P should contact the customer about any loss.

Our investigator didn't recommend that the complaint be upheld. She said that the SWIFT payment instruction had used the details for P's USD account. The invoice P had sent to its customer had given account details for an account at a different financial business. Unfortunately, the customer hadn't used those details. There was nothing unusual about the payment evident to require further checks. And although P said that it had been contacted by other financial businesses in similar circumstances before, that wasn't part of Santander's process. She sent P a copy of the terms and conditions in relation to the payment that Santander relied on.

P didn't agree and said that it wanted an ombudsman to review the case. It said that Santander didn't have authorisation to convert the payment. And it referred to the terms and conditions under the heading '*When we will ask you for information*' part 5.5C which stated information could be requested '*to confirm a payment or activity on your account.*' And that under Section 7.3 it was not reasonable to think the payment was '*intended*' for the USD account. P maintained that the actions of Santander weren't reasonable.

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 have looked at the terms and conditions relied on here by Santander:

Section 7.2 The person paying money into your account will need to provide us with certain account details. The details we require will depend on your account but will usually include the account number and sort code. For International Payments, it could include the

International Bank Account Number (IBAN) and Bank Identifier Code (BIC).

And under Section 8.3 about when money paid into an account will be available:

Money received in a different currency from that of your account. When you can use the money. From the day we convert the money into the currency of your account using the prevailing exchange rate (or, if that's not a Working Day, the next Working Day).

I've also looked specifically at the Sections that P refers to and note:

Section 7.3 If we receive a payment which we know is for you but without all of your account details, we may pay the money into any of your accounts. If we reasonably believe the payment was intended for a particular account, we will pay it into that account. Otherwise, we will pay it into the account we think is most appropriate in your situation. We might contact you to ask what you want us to do.

I'm satisfied that there was no required information missing with this international payment instruction. I don't consider Section 7.3 – which is about where the information is incomplete – is engaged. So I find that the terms of the account could in this context be applied to allow conversion of the payment from Euros to USD – the currency of the account here. It was a matter for Santander to decide if it wanted to make any security or other checks about the payment (as allowed for in Section 5.5). But it had all the information necessary to convert and apply the payment. In particular, it had no cause to return the payment to the sender and I don't consider it was fairly required to contact P about the currency conversion – however helpful P has explained that would have been here.

I appreciate the impact for P of what happened here. But I'm afraid that I don't have a reasonable basis to require Santander to take any further action.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask P to accept or reject my decision before 26 September 2025.

Michael Crewe
Ombudsman