DRN-5734500

The complaint

Mr C complains that Tranzfar Ltd failed to carry out a foreign currency transfer that he instructed and has not refunded the payment that was deducted from his account.

What happened

On 2 July 2024 Mr C instructed a payment transfer of €3,500 via Tranzfar Ltd between foreign banks, but said the transaction was not completed. Mr C complained to Tranzfar on 8 July and said he was assured on 16 July 2024 that this will be resolved within two weeks.

Mr C said Tranzfar failed to keep this and a further promise and so he requested the money be refunded and said he was assured this would be done by the end of September 2024. But he said the refund wasn't made and Tranzfar hasn't given him an update.

Mr C said Tranzfar failed to meet its policy of delivering payments within four working days and loss of the funds has prevented him investing and travelling and has had an effect on his health. He wants Tranzfar to refund his payment and pay compensation for the time wasted, and the negative impact of this he has described. Mr C referred his complaint to our service.

Our investigator recommended the complaint be upheld as he didn't think Tranzfar acted fairly. He said Tranzfar did not respond to Mr C's complaint or to our request for information. He said Tranzfar should refund Mr C's payment of €3,500.70 with interest at 8% per annum. And Tranzfar should pay Mr C £300 compensation for the distress and inconvenience caused by its delays and for his having to chase up and complain about the matter.

Mr C agreed with this outcome but Tranzfar did not respond and so the complaint has been referred to me as an ombudsman for a 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 was sorry to learn that what should have been a straightforward transfer process has turned into a prolonged and worrying experience for Mr C. My role is to determine whether what took place was fair and reasonable and whether Tranzfar followed the process.

In assessing whether Tranzfar acted fairly, I've taken into account the relevant rules and guidelines along with good industry practice. There are general principles that say a regulated financial firm should conduct its business with due skill, care and diligence and pay regard to the interests of its customers.

Mr C said that on numerous occasions Tranzfar assured him of service but failed to fulfil its promises, but then stopped responding to him. Our service has also made multiple attempts to reach Tanzfar from December 2024 to May 2025, without response. Tranzfar's lack of response and inactivity demonstrate that it has not paid due regard to Mr C's interests.

In the absence of any information from Tranzfar, I've looked into Mr C's complaint with the information he has provided. I'm satisfied on 2 July 2024 Mr C paid €3,500.70 to Tranzfar, and that Tranzfar promised Mr C a refund by the end of September 2024.

The promised refund doesn't appear to have been paid to Mr C, and it follows that Tranzfar has held Mr C's money without transferring it to the receiving bank as originally instructed and has not refunded it as it should have. This means that I am upholding Mr C's complaint.

As a matter of good industry practice, I'd expect Tranzfar to monitor transfers to identify problems and ensure customers are informed about their payments. Where a transfer has not completed, Tranzfar should ensure customers receive an explanation and a refund.

Putting things right

Tranzfar should pay Mr C a refund of his payment of €3,500.70. Tranzfar should pay Mr C redress of 8% interest per annum on this sum for the time he has been deprived of access to his money, and the effect of this on his ability to invest and travel, which is from 2 July 2024 to the date the refund is paid to him.

I agree with the investigator that Mr C has been caused frustration and inconvenience. I also agree that compensation of £300 was a fair and reasonable reflection of the impact of this poor service on Mr C up to May 2025 when the investigator sent his view. But I think the complete lack of response from Tranzfar has caused additional and prolonged stress on Mr C and a considerable effort to sort things out and so I am awarding £400 compensation.

If the €3,500.70 is later found after the refund has been paid, it will belong to Tranzfar because Mr C wouldn't be entitled to a second refund. Should a second refund occur, or should the payment arrive at the receiving bank after the refund has been paid, Mr C would be expected to return it.

My final decision

For the reasons I have given it is my final decision that the complaint is upheld. I require Tranzfar Ltd to pay Mr C a refund of €3,500.70 and interest of 8% per annum on this sum from 2 July 2024 to the date the refund is paid to him. I also require Tranzfar Ltd to pay Mr C £400 compensation for the distress and inconvenience it has caused him.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 9 September 2025.
Andrew Fraser
Ombudsman