

The complaint

Mr M complains Bank of Scotland plc trading as Halifax mishandled an international payment he instructed it to make, causing him to lose money and miss an investment opportunity.

What happened

Mr M said he used Halifax's mobile banking app to transfer £40,000 to an overseas relative's account on 18 March 2025. Mr M explained he wanted the payment to be made in Stirling (GBP), with the relative's account also being a GBP account.

Mr M said Halifax automatically converted the transfer amount of £40,000 to US Dollars (USD) without his consent. Mr M said the mobile app didn't provide any clear warning or final confirmation that he was about to send USD rather than GBP as he intended.

Mr M said Halifax then withheld these funds for over two months after he complained. Mr M explained when Halifax eventually refunded him, he only received £37,914.78 back. Mr M explained he also missed an investment opportunity in gold, causing nearly £2,500 in missed profit, because of these delays. Mr M explained this matter had also caused him significant distress and anxiety and financial disruption.

Halifax explained its online platform defaulted to USD for the country Mr M was trying to send the funds to. Halifax said it didn't trade in the currency of the country the funds were going to, explaining USD was the most commonly traded and accepted currency around the world, so defaulted to this.

In its final response letter Halifax explained the app would have shown Mr M the currency had been changed to USD and he would have had to confirm he was happy to proceed. Halifax said Mr M was asked if he wanted to cancel the payment and attempt to retrieve the funds when he complained, but as this wouldn't be the full amount due to the exchange rate and fees, he refused, explaining he wanted the complaint to be completed before accepting any funds back.

Halifax concluded Mr M had made the payment himself and had been informed the exchange rate could change when he refused the refund, it therefore didn't agree it had made a mistake.

Halifax did, however, accept it could have provided a better service, acknowledging there had been delays when Mr M hadn't been able to speak with the international payments team. It offered £300 for the distress and inconvenience this had caused Mr M.

Our investigator didn't think Halifax needed to take any further action and had acted fairly. They explained Halifax had provided screenshot evidence showing the stages Mr M would have gone through when making an international payment on the app. Having reviewed these, they thought Mr M would have been made aware of the currency the payment he was making was in.

They agreed there had been delays, citing Mr M not being able to speak to the international payments team and issues with the messaging service. However, they recognised Mr M said he didn't want to take any action during a telephone call on 20 March and Halifax had advised the payment would therefore remain with the overseas bank.

Mr M responded to our investigator's recommendation explaining the default to USD was not clearly highlighted nor actively confirmed. He also disputed the above version of events, stating Halifax told him it wouldn't act until the complaint had been resolved.

Mr M requested approximately £4,500 in total compensation for his financial loss, both in terms of the missed investment and change in exchange rate, and for the distress and inconvenience Halifax had caused him.

As Mr M rejected our investigator's recommendation, his complaint has been passed to me to make 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 appreciate how strongly Mr M feels about his complaint. Although I may not mention every point raised, I have considered everything but limited my findings to the areas which impact the outcome of the case. No discourtesy is intended by this, it just reflects the informal nature of our service.

Where evidence is incomplete, inconclusive or contradictory, I have to make decisions on the balance of probabilities – that is, what I consider is more likely than not to have happened in light of the available evidence and the wider surrounding circumstances.

There are two issues for me to consider here. Firstly whether the evidence supports Mr M's assertion that Halifax app defaulted to USD and this wasn't made clear to him. And secondly whether I am persuaded Halifax are responsible for any delays in refunding him, and if so, what I consider would be fair and reasonable compensation for such delays and if this includes any financial loss.

Dealing with the first issue, Halifax has provided our service with a document showing the customer journey when making international payments. This document, named 'Making an international payment' demonstrates the 15 steps a customer needs to complete on the app to make an international payment. This shows the screen Mr M would have used to make the payment and shows how customers can select the currency they wish to send funds in. It also shows the currency code e.g. USD, EUR and GBP, and the flag of the country or economic area for the selected currency depicted next to it. There is also a summary in a box showing current exchange rates and fees for the payment being arranged. Finally, once all of the details are completed, a summary page, showing the details of the payment and currencies, needs to be confirmed.

Whilst I appreciate the evidence shows the currency defaulted to USD, I accept Mr M was using an international payment service which would have had a range of currency options available by its very nature. I do not think it was unreasonable the currency option 'defaulted' to specific currencies depending on the country selected, and can see how this would be helpful to customers in many circumstances. Selecting the correct currency would have been a fundamental part of this process.

Having considered the evidence, I am persuaded it is more likely than not Halifax did explicitly state what the payment would have been and the currency the payment was to be made in clearly, before Mr M confirmed it. On balance, I am satisfied this was more likely to have been a mistake by Mr M and not Halifax. I therefore am not persuaded I can fairly or reasonably hold Halifax liable for any losses because of this transaction.

I can see Mr M contacted Halifax the day after the payment. The evidence shows Halifax told Mr M it could recall the payment, but as the payment had been for over £25,000 he would be liable for any exchange rate differences. The figure of £950 was mentioned as a probable loss at this time. Halifax advised it might be possible for the receiving bank to send

the funds back at a more preferential rate but he would have to make these enquires himself.

Mr M also contacted Halifax by chat. I can see he asked for Halifax to cancel the transaction and refund him £40,000. Again, Halifax explained the potential loss due to exchange rates. Mr M said '*I am not prepared to lose any amount*'. Halifax explained if it raised the cancellation now it would mean Mr M accepted the possibility of an exchange loss. Halifax then suggested allowing the complaints team time to investigate. Mr M said he wouldn't accept any exchange loss and therefore wanted the complaints team to reach its conclusion, thus no cancellation or recall of payment was authorised by Mr M.

I can see on 28 March during a further chat, Halifax reiterated it didn't think there had been a banking error, it again said it could recall the funds but Mr M would not receive the full £40,000 back because of the exchange rate. I can see Mr M contacted the automated system numerous times during this period for an update on his complaint.

On 15 April Halifax contacted Mr M and explained the payment had been sent back by the beneficiary bank. The amount received was over £2,000 less than the £40,000 Mr M had paid.

Halifax issued its final response on 22 April. It accepted there had been delays with regards to its customer service and offered £300 compensation for the distress this had caused. It didn't uphold this part of Mr M's complaint stating it had offered to recall the payment but Mr M didn't want this as there would have been a loss.

Having viewed the chats, I agree that the customer service was, on occasions, poor. I also accept there were delays both with speaking to the international payments team and complaints team during this period which I have no doubt added to the distress Mr M was experiencing. I am satisfied the £300 issued for this poor service is in line with our guidelines for compensation and what our service would expect

However, I can see Halifax gave Mr M the option of undertaking a recall when he first complained, and on at least one other occasion, before the funds were sent back. I can also see Mr M refused this. I have some sympathy with Mr M's reasons for this. I can see why he would have thought doing this may compromise his complaint, but I can also see Halifax were clear from when he first complained that it had processed the payment he had instructed it to make so there was no banking error.

Ultimately, the receiving bank sent the payment back. This was outside of either parties' control, and this crystallised the loss. I appreciate Mr M has complained about the time it took for a refund. I am persuaded he could have limited this loss had he accepted he had made a mistake and decided to instruct a recall when he first raised his complaint and the exchange rate was apparently more favourable.

I appreciate Mr M has explained he lost out on an investment opportunity whilst he didn't have access to these funds. For the same rationale as above, I am satisfied this was Mr M's decision to some extent. He could have recalled the funds straight away and reinvested as he saw fit but decided to wait for the outcome of the complaint. I therefore don't think it would be fair to hold Halifax liable for these potential investment profits.

I appreciate Mr M will be disappointed with my final decision. But in summary I trust I have explained in sufficient detail why I do not think it is fair or reasonable, having considered carefully the circumstances, to hold Halifax liable for the losses Mr M has claimed.

My final decision

For the reasons I have given, my final decision is I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 8 October 2025.

Gareth Jones
Ombudsman