

The complaint

Mr and Mrs M complain that an international payment made through Nationwide Building Society (“Nationwide”) was returned resulting in the loss on the returned funds.

What happened

Mr and Mrs M were purchasing a property abroad and on 17 March 2025 attended a branch of Nationwide and sent a Single Euro Payments Area (“SEPA”) credit transfer from a Nationwide branch for €119,840.50 for which £103,000 debited Mr M’s account.

Mr M says they completed a form providing the payment details but being a novice with these types of payments didn’t check whether the details provided related to a personal or a business bank account and following the transaction being referred for approval by a manager signed the form authorising the payment.

Nationwide say that both Mr and Mrs M had the details of the account and the payment details were inputted onto a form that and Mr and Mrs M were asked to review this as being correct as there were some concerns that what was provided was a personal name and did not seem accurate for a business account.

Both Mr and Mrs M confirmed all the details were correct (from Mrs M’s phone) as they had been sent these details from the estate agent to pay for the purchase. Nationwide say the form was printed and this was checked again, before it was sent to a manager to authorise and the payment sent. Nationwide’s terms and conditions don’t require information about whether you are paying a personal or business account but do require the address of the recipient bank or building society.

Unfortunately, for reasons that are unclear (but possibly because the transfer address was incorrectly listed as the lawyer involved personal address rather than their business address) the payment was returned on 24 March. And as the funds had to be converted back to pounds sterling to be received back into Mr M’s account money was lost in the currency exchange resulting in a loss of around £3,000 (£100,301.72).

Mr M raised a complaint with Nationwide about this and was told he’d receive a call back in 48 hours from a manager, but this unfortunately didn’t happen. Mr M says that the return of the payment was due to branch staff filling in the SEPA form for a personal account payee instead of business account details.

Nationwide didn’t uphold Mr and Mrs M’s complaint point regarding the failed payment. It says they were asked to check the details and despite the branch saying they didn’t seem accurate for a business account they confirmed all details were correct and signed the form and so no error was made on its part. Nationwide agreed that a call back wasn’t received as expected, apologised and offered £50 compensation for this.

Mr and Mrs M were dissatisfied with this and so brought their complaint to this service. Mr and Mrs M want a full refund of the difference between the payment that was sent and what was returned.

Nationwide have explained that if a customer makes an international payment in foreign currency that it will convert the money from pound sterling to the foreign currency before sending it. It uses the latest standard outbound exchange rate which includes a currency conversion mark-up of 2.2% which it receives a share of and that this is shown on the payment.

Nationwide have confirmed that there is no transaction fee to receive an international payment but that it will convert the payment into pounds sterling using its standard inbound exchange rate and that there might be fees and charges that the sender needs to cover which can affect the amount you receive.

Mr and Mrs M say they weren't told what needed checking when given the form to sign. Nationwide say it believes branch staff did all relevant due diligence regarding trying to ensure the details on the form were correct based on the information provided and although the form was approved by a manager, they check the form is completed and signed rather than doing any checks on the payment details themselves.

Nationwide say they haven't been given a reason for the rejection of the payment but that this wasn't due to an error on its part but have agreed to increase its offer of compensation for the lack of a call back from £50 to £75.

One of our investigator's looked into Mr and Mrs M's concerns, but didn't think Nationwide had made an error or treated them unfairly. Although they appreciated Mr and Mrs M regarded themselves as novices with these types of payments that ultimately, it's the customers responsibility to ensure the payment information provided is correct as Nationwide can only process payments based on the instructions it received. And as they couldn't say the return of the payment to Nationwide was due to its error, they didn't think it should bare the responsibility for the foreign exchange losses.

They agreed that Nationwide had failed to call Mr and Mrs M back as promised but thought Nationwide's offer of £75 compensation was fair for the distress and inconvenience this caused and so didn't think Nationwide needed to do anything more.

Mr and Mrs M remained unhappy with this. Mr M says Nationwide have made a profit of £3,000 on a failed transaction and disputes that the currency rates fluctuated by this much and has asked for an ombudsman's decision on the matter.

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.

It might help if I explain here my role is to look at the problems Mr and Mrs M have experienced and see if Nationwide has done anything wrong or treated them unfairly. If it has, I would seek – if possible - to put them back in the position they would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

And having carefully considered everything – and I know this will come as a disappointment - I'm in agreement with our investigator and don't think there is anything much more of use that I can add.

I sympathise with Mr and Mrs M as they have lost a not insignificant amount of money, but having considered everything carefully I don't think this is due to the action or inaction of Nationwide, but rather purely down to an unfortunate mistake made on their behalf.

After considering all the evidence I think the payment was likely returned due to Mr and Mrs M providing incorrect or incomplete details for the recipient. Although I appreciate Mr and Mrs M were relying on Nationwide's expertise when providing the details, the details they provided to Nationwide were completely independent of Nationwide and were provided by third parties (the estate agent and lawyers involved in the property purchase), so I wouldn't expect Nationwide to spot whether these were wrong as Nationwide isn't the one making the payment. I don't think it would be fair to penalise Nationwide for this as it would have no way of knowing a mistake had been made.

Nationwide's role in this transaction was merely to carry out the payment as instructed. If Mr and Mrs M had any concerns about the payment details they should've checked this with the recipient, but they didn't do this instead they confirmed the details were correct and Nationwide authorised the payment accordingly in-line with its processes and Mr and Mrs M's instruction. And as such I can't say Nationwide did anything wrong here.

I appreciate that Mr M feels that Nationwide have profited from the failed transaction and disputes that the currency fluctuated by the amount it did. But I've seen no evidence that Nationwide have profited from the return of the payment. Nationwide have confirmed that there is no transaction fee applied to receive an international payment and that as per its terms and conditions it converted the payment into pounds sterling using its standard inbound exchange rate and as such I can't say it has done anything wrong here either. I accept that there has been a loss, but as well as currency fluctuation this might also be due to fees and charges applied by the sender.

Finally, it is not disputed that Nationwide failed to call Mr M back within the 48 hours as expected but Nationwide has offered £75 compensation for the distress and inconvenience this caused which I think is fair. I say this as although I appreciate how distressed Mr and Mrs M would've been at the resultant financial loss that occurred, this would've still been the outcome had Nationwide returned the call when it said it would have.

And so on this basis I think what Nationwide have offered to do is a fair way to settle this complaint and I'm not going to ask Nationwide to do anything more. Should Mr and Mrs M want to accept this payment they should provide Nationwide with their payment details now.

My final decision

For the reasons I've explained I've decided the £75 compensation Nationwide Building Society have offered to settle Mr and Mrs M's complaint is fair and direct if it hasn't done so already to pay this to Mr and Mrs M now.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs M and Mr M to accept or reject my decision before 18 September 2025.

Caroline Davies
Ombudsman