

The complaint

Mr P complains about the service he received from Nationwide Building Society (“Nationwide”) when he made an international payment. Mr P says the payment was returned due to an error on Nationwide’s part and that Nationwide failed to inform him that the payment had been rejected.

What happened

On 3 February 2025 Mr P attended a branch of Nationwide to arrange an international payment to pay for a holiday abroad. Mr P provided Nationwide’s counter staff with the payment details of the holiday company he wished to pay and they were inputted into its payments system and a payment of £4,150 was processed and debited Mr P’s account.

On 12 February Mr P checked his account and noticed a returned payment of £4,016.63. Mr P was shocked to see this as he’d had no notification from Nationwide that the payment had been rejected and so contacted Nationwide and raised a complaint.

Mr P rechecked the account and payment details with the holiday company and all the details were found to be correct and so Mr P again attended a branch of Nationwide on 20 February and instructed Nationwide to make the payment which was this time successful.

Nationwide admitted that it should have contacted Mr P regarding the initial returned payment and found it was an error with its system not sending out a text message to notify him of the return. Nationwide apologised and compensated Mr P £50 for the upset caused. But Nationwide didn’t agree it had made an error in the processing of the payment as it says it was sent using the details provided by Mr P and the payment was rejected by the beneficiary bank due to the beneficiary name and account not matching and so it wasn’t responsible for the payment being rejected.

Following this Mr P advised Nationwide that the payment had been rejected by the beneficiary bank as the middle initial “T” hadn’t been included in the beneficiary’s name on the SWIFT Transfer Request that Nationwide completed and asked Nationwide refund the money he lost in full.

Nationwide disputed that it was responsible for the error and so Mr P brought his complaint to this service.

One of our investigator’s looked into Mr P’s complaint and thought that Mr P had provided Nationwide with the correct beneficiary details and that it was Nationwide’s imputing error that led to the middle initial letter “T” being left off and as such it was responsible for the rejection of the payment. To put things right (in addition to the £50 Nationwide already paid for failing to inform Mr P of the returned payment) they thought Nationwide should reimburse Mr P’s financial losses including the additional transfer fee for the second payment and any losses due to fluctuation in the exchange rate when the funds were returned and should compensate Mr P £100 for the distress and inconvenience caused.

Nationwide disagreed, it says the payment was rejected and returned due to the account name and number differing and that it processed the payment with the information provided by Mr P and made no errors and 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.

My role is to look at the problems Mr P has experienced and see if Nationwide has done anything wrong or treated him unfairly. If it has, I would seek – if possible - to put Mr P back in the position he would've been in if the mistakes hadn't happened. And I may award compensation that I think is fair and reasonable.

And after considering everything carefully I'm in agreement with our investigator and I don't think there is anything of much more use I can add.

Having checked both SWIFT Transfers I can see that all the payee details are the same except that on the initial failed transfer that the middle initial "T" is missing from the beneficiary's name. So I'm satisfied that the reason the payment was rejected and returned was due to this rather than anything else.

Mr P has provided a copy of the payee details he provided to Nationwide when he instructed it to set up the payment and I can see the beneficiary's name is clearly displayed with a middle initial "T" but the screenshot Nationwide have provided of the "Transaction Submission" of the initial transfer does not contain this in the beneficiary name field. So I think without any evidence to the contrary that it's likely this was left off in error by Nationwide's counter staff when setting up the payment.

Nationwide say that when taking instructions for these payments that its staff would input the details given by the customer and ask them to check this before signing and returning the copy for it to send on to be authorised. But as the staff member who attended Mr P no longer works at the branch and Nationwide haven't been able to provide a signed copy of the transfer I can't say whether this happened when Mr P instructed Nationwide to make the first transfer and so I can't say whether Mr P is in anyway responsible for the letter "T" being left off.

But I don't think this matters as if Nationwide isn't wholly responsible for the error, I'm satisfied that it at least contributed to it as it was Nationwide's staff who inputted the beneficiary details from the details Mr P provided it with and this is the payment instruction that was processed and returned.

As a result of this Mr P is out of pocket and so I'm in agreement with our investigator that the £50 already paid to Mr P is fair compensation for the failed notification regarding the initial payment but to put things right Nationwide needs to do more. Nationwide should refund Mr P the cost of the transfer fee and reimburse him for any losses on the return of the funds due to fluctuations in the exchange rate as this would put him in the position he'd be in had the mistake not been made. Furthermore, Nationwide should compensate Mr P a further £100 for the distress and inconvenience Mr P has suffered as a result of the handling of this matter by Nationwide.

My final decision

For the reasons I've explained, I uphold Mr P's complaint against Nationwide Building Society and direct it pay Mr P £100 compensation and reimburse the cost of the transfer fee

and for any losses suffered on the return of the funds due to the exchange rate.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 16 October 2025.

Caroline Davies
Ombudsman