

The complaint

S, a limited company, complains that Metro Bank PLC have declined to refund them for losses that occurred due to the conversion of an incoming international payment from pound sterling (GBP) into US dollars (USD). S also complains about poor service and communication issues.

S is represented by Mr P who is the director.

What happened

The background to this complaint is well known to both parties, so I will cover it only briefly here.

S had a client in India who was paying an invoice to S. The payment was to go into S's USD dollar account held with Metro Bank. The client used a bank in India to send the payment to S. The sending bank in India initially issued the payment via USD, however its intermediary bank, who I'll refer to as J, converted the payment into GBP.

So, when Metro Bank's intermediary bank received the payment, it arrived as GBP. However, for the payment to be credited to S's USD account it had to be converted back to USD. This led to a shortfall in the payment based on the conversion rates at the time.

Mr P complained to Metro Bank. He acknowledged that J had converted the payment from USD into GBP, but he felt Metro Bank should be covering the money lost when converting it back to USD to facilitate it entering the USD account held with Metro Bank.

Metro Bank issued several final responses after considering then reconsidering S's complaint. Its final outcome acknowledged its service could have been better at times and awarded £50 compensation. However, Metro Bank said it was the sending bank in India or that bank's intermediary who had converted the payment into GBP, and Metro Bank said it wasn't responsible for the actions of the sending bank or its intermediary. Metro Bank explained the funds needed to be converted back into USD in order to be credited to S's USD account. So, it didn't think it had done something wrong.

Mr P didn't accept Metro Bank's outcome and referred his complaint to this service. Our investigator considered the complaint and didn't uphold it. She said the compensation was fair to address the inconvenience caused by some poor service. And she couldn't hold Metro Bank responsible for the sending bank or its intermediary having converted the payment from USD to GBP.

Mr P didn't agree with our investigator and so the complaint has been passed to an ombudsman to decide.

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.

Having done so, I generally agree with the outcome the investigator has reached. I appreciate this will be disappointing to Mr P, and I know this complaint is very important to him. But I'm not persuaded it would be reasonable to ask Metro Bank to reimburse S the shortfall with the payment.

In the background above I've not detailed all the communication between the parties – it is intended to be a brief overview of what the complaint is about. This is in line with our service's remit as an informal alternative to the courts.

I want to acknowledge both parties have submitted sizable information for me to consider. If I don't mention something, it's not because I've not considered it carefully or failed to take it on board, but rather I do not consider that I need to directly address it to reach a fair and reasonable outcome.

I'll start by briefly explaining that intermediary banks, also known as correspondent banks, will be part of the payment chain, to join up a sending and receiving bank, where those two banks don't have a direct relationship

In this case it appears the bank in India don't have a direct relationship with Metro Bank, and so the bank in India used an intermediary bank, J, to send the payment to Metro Bank.

I'm satisfied it is not in dispute by either party, and the evidence confirms, that it was J who converted the payment from USD to GBP. And Metro Bank's intermediary, who I'll refer to as B, converted it back into USD to enable the funds to enter S's account.

I'm satisfied it was reasonable and necessary for Metro Bank and B to have to convert the funds back into USD so it could be paid into S's USD account. And I can't hold Metro Bank responsible for the actions of J when it converted the payment into GBP.

Mr P has referenced historical payments from the client in India that were made to S's euro (EUR) account. Mr P says those payments were completed without any conversion issues. Mr P says this demonstrates the issue in this case was due to an internal error within Metro Bank.

I appreciate Mr P's position on this. However, the payment in this case is a separate matter to those EUR payments that were made previously. And the evidence here links the initial conversion into GBP as being done by the sending bank's intermediary. This means any conversion error here occurred prior to the payment reaching Metro Bank or its own intermediary. And so, I can't reasonably say the issue in this case was the result of an error on Metro Bank's side.

Overall, I think it's most likely the issues here that led to the payment being converted into GBP, before it reached Metro Bank's intermediary, were down to the sending bank and its agents or intermediary.

Metro Bank have said when the sending bank issued the payment it should have sent it via American banks to ensure it remained as USD. But because the sending bank issued the payment via J, who I gather was based in the UK, this led to the payment being converted to GBP before it was forwarded to B. I'm satisfied Metro Bank's explanation here is reasonable.

Ultimately, Metro Bank are not responsible for the actions of the sending bank or its intermediary. And so, it follows that I can't reasonably seek Metro Bank refund S for the shortfall due to the conversion as I'm satisfied Metro Bank wasn't responsible for the actions

which led to the payment needing to be converted back into USD.

I've considered what Mr P has said about the poor communication and service he received. Mr P said when he first raised this matter Metro Bank indicated the case would be resolved in S's favour.

However, after Metro Bank looked into what happened it didn't agree to refund the shortfall caused by the conversion. I understand the original discussions took place over calls between Mr P, Metro Bank local business managers and possibly other Metro Bank branch staff. And unfortunately, those calls aren't available for me to listen to. So, I can't confirm exactly what was said during the discussions that took place.

Where evidence is incomplete, we aim 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. And it can be the case that we often can't say, with certainty, what happened. It is difficult in such circumstances, to uphold a complaint and to find a business did something wrong – as I would need a persuasive reason to do so.

That being said, I've no reason to disbelieve Mr P's testimony around what he was initially advised by Metro Bank, about investigating and looking to recover the shortfall.

Mr P has said that Metro Bank told him it would be responsible for compensating the shortfall, subject to completion of its internal review. I think it's fair to say this suggests the actual compensating of the shortfall was still dependent on the outcome of the internal review Metro Bank were due to carry out.

Once Metro Bank completed its internal review it was able to confirm that the payment had been converted into GBP before it reached Metro Bank - or its own intermediary B, and so it wasn't Metro Bank's error or actions which led to the funds needing to be converted back into USD.

So, I do think it was reasonable for Metro Bank to conclude that it wasn't at fault and so it wouldn't refund the shortfall. Though I also think it will have been somewhat inconvenient for Mr P, representing S, to temporarily believe the matter was going to be resolved by Metro Bank.

Overall, I think Metro Bank made some errors which will have caused inconvenience to S for which compensation is warranted. I can see Metro Bank failed to complete an agreed callback to Mr P. And Metro Bank initially advised Mr P that he should look into what happened with the intermediary banks. I think Mr P was right to pushback on this and inform Metro Bank of its responsibility to properly investigate the matter and reach its own finding.

Taking everything into account, I think the £50 compensation Metro Bank awarded is reasonable to address the inconvenience, caused to S, due to its errors and poor service.

In conclusion I realise Mr P will be disappointed by my decision. But having looked at all the evidence and circumstances of this complaint, I won't be telling Metro Bank to do anything more to resolve S's complaint.

Our service investigates the merits of complaints on an individual basis and that is what I've done here. I think it's important to explain that my decision is final. I realise that Mr P will be disappointed by this outcome, but I hope the reasons why it had to be this way are clear.

My final decision

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

I make no further award against Metro Bank PLC.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 8 May 2026.

Gordon Candlish
Ombudsman