

complaint

Mr V complains about Barclays Bank Plc in relation to a bank transfer. Mr V believed he was sending money to his business partners' account overseas but ended up sending funds to a third party. Mr V wants Barclays to refund him the money he has lost.

background

On 2 December 2014, Mr V made a bank transfer of around \$12,000 US to a Barclays' account overseas which he believed belonged to his business partners. The money was credited to the account number Mr V had stipulated but he subsequently found out that this was not the account of his business partners.

Our adjudicator didn't think Barclays should refund the money to Mr V. She thought the £100 compensation Barclays had offered Mr V for the incorrect information it had provided in its final response letter was a fair way to settle the dispute. Mr V did not agree, so the complaint has been passed to me for final decision.

my findings

I've considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I have every sympathy for Mr V who has lost a great deal of money, but I think the adjudicator has reached the right outcome here. I'm satisfied that the funds Mr V sent were received by Barclays and deposited into the account in accordance with the instructions it received. Barclays has confirmed that the payment went straight through the system with no manual intervention as the account details provided by Mr V were valid.

I have considered Mr V's comments that banks shouldn't simply rely on just the sort code and account number but should check the account name as well. But, as the adjudicator has already explained, banks aren't required to do this. Payments such as the one made by Mr V are fully automated and are made using the unique account identifiers, which are the sort code and account number, not the account name. The receiving bank (in this case Barclays) is not obliged to verify the beneficiary's name. As a result, I don't think Barclays has done anything wrong.

Barclays was under an obligation to make reasonable efforts to recover the money as soon as it was put on notice that there was something wrong with the transaction. In this case, Barclays received a request on 11 December 2014 to return the payment. On the same day, it requested a reason as to why the return of funds had been requested. On 18 December 2014, it received a response from Mr V saying there was a problem with the account so he wanted the transaction stopped as his business partners had confirmed that they had not received the funds. Mr V therefore requested that the funds be returned to him with immediate effect. Following this, Barclays sent a letter to the customer into whose account the funds had been paid. It received no response and after Mr V's bank chased for a response, Barclays confirmed that it had been unsuccessful in contacting the beneficiary. It seems that Barclays did all it could reasonably be expected to do to recover the money.

summary

I know Mr V will be disappointed with my decision but I think Barclays processed the transaction correctly. I also think Barclays took reasonable steps to try and recover the money when it was put on notice that something was wrong with the transaction. I note that Barclays has offered to pay Mr V £100 in respect of the incorrect information it provided in its final response letter. I think this is a fair and reasonable way to settle the dispute.

my final decision

My final decision is that Barclays Bank Plc should pay Mr V £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr V to accept or reject my decision before 11 March 2016.

Jagdeep Tiwana
ombudsman