

complaint

Mr L has complained that a transfer of £2,000 was made incorrectly and he doesn't believe TransferWise Ltd have done enough to recall the funds.

background

Mr L used TransferWise and attempted to transfer £2,000 from his GBP account to his USD account with the Bank of America. As an incorrect account number had been entered, the money didn't reach his USD account. Instead, the money was transferred to an account belonging to someone else.

The following timeline shows what happened with the funds:

3 February – Mr L set up the transfer.

5 February - TransferWise sent the money to the account number Mr L had entered.

8 February – Mr L called to say the money hadn't arrived in his USD account.

9 February – TransferWise provided proof of transfer to Mr L.

12 February – Mr L told TransferWise that the account number was incorrect. TransferWise had a conference call with the Bank of America who recommended that they recall the funds. The recall was attempted but was unsuccessful. They were told the recall was unsuccessful on 1 March. The next day, they told Mr L about this and advised him to file a claim with the Bank of America. TransferWise wrote to Mr L to explain that the funds could only be transferred successfully if the recipient authorised the funds to be debited. In this case, there were insufficient funds in the beneficiary's account.

Mr L complained and TransferWise replied and referred to their customer agreement which said it was the customer's responsibility to provide correct bank information. The agreement says:

"You must ensure the information you provide to us is correct. You must make sure that the information you provide when setting up a payment order is accurate. If we have processed your order in accordance with the information you have provided to us it will be considered correctly competed even if you have made a mistake...if you provide incorrect information with your payment order, we will use reasonable efforts to recover the funds for you, and may need to charge you a fee for that."

TransferWise said that they allow customers to review the full transfer information, including the account number, before payment is made. But the account number Mr L had entered had 2 missing digits and so the money didn't reach his account for this reason.

Our investigator looked into this complaint and didn't think TransferWise had done anything wrong as they had tried to recall the funds within a reasonable amount of time. Mr L disagreed and said they hadn't done enough to protect his money and delayed in recalling the funds.

And so the case has been passed to me for a decision.

my findings

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 don't think Mr L's complaint should be upheld. I'll explain why.

Mr L made a transfer from one account to another and entered the account details himself. As an incorrect number had been entered, the money didn't reach his account and went to someone else's account. He told TransferWise about this on 8 February and they confirmed the transfer had gone through. When he told them the account number was wrong, on 12 February, they attempted to recall the funds on the same day but the recall was unsuccessful.

TransferWise don't have any control over whether the receiving account allows the recall to happen. They can make the attempt and they then have to wait for a response. I haven't seen anything which suggests that an error with the account number was made by TransferWise. And I've seen that the payment details have to be confirmed by the sender before the transfer is made.

I'm therefore satisfied that TransferWise have done everything I would expect them to do in this kind of situation – they ensure users check and confirm account details before committing to a transfer and they also attempted to recall the funds as soon as they were told the account details were incorrect. And so I don't think it's fair to hold them responsible for the initial error or the recall failure. For that reason, I won't be asking them to do anything here.

I appreciate Mr L is disappointed that the money has been sent to the wrong account but TransferWise have suggested that he contacts the Bank of America directly to try to claim the money back from the recipient. I think this is a reasonable suggestion.

my final decision

For the reasons set out above, I do not uphold Mr L's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr L to accept or reject my decision before 20 October 2018.

Shamaila Hussain
Ombudsman