

## **complaint**

Mr J, sole director of a limited company 'E', complains that an international payment made from E's account with Metro Bank PLC did not reach its intended recipient. And the bank failed to explain why.

## **background**

I sent my provisional decision to both parties on 24 April 2019. A copy of this is attached and forms part of this final decision. In it I set out why I thought this complaint should be upheld and what Metro needed to do to put things right.

Both parties have been given time to consider what I said. Mr J has responded and says that he accepts my provisional decision. He's also explained that he has since made this payment with another bank, and it was completed without any problems in 4 working days.

Metro have responded and said that they agree they made mistakes here and accept my provisional decision. Though they feel that the amount of compensation I proposed they should pay to Company E is quite high.

## **my findings**

I've reconsidered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. As both parties have accepted my provisional decision, I see no reason to reach a different decision here.

I have noted Metro's comments about the level of compensation I've asked them to pay Company E. They accept it's reasonable for them to cover the financial loss suffered due to exchange rate differences when the payment was returned to Company E. But they feel the £450 compensation I've awarded for non-financial losses is high in proportion to the amount of money Company E was trying to make a payment for here – which was around £11,000. I've thought about what they've said. But I still think this is a fair amount of compensation for them to pay to put things right, for the reasons I outlined in my provisional decision.

## **my final decision**

My final decision is that I uphold this complaint against Metro Bank PLC. To put things right I require them to pay Company E £158.55 to reimburse them for financial loss. And a further £450 in cumulative compensation to recognise the inconvenience caused by their actions.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr J, in his capacity as sole director of Company E, to accept or reject my decision before 15 June 2019.

Jenette Lynch  
**ombudsman**

## **copy of provisional decision**

### **complaint**

Mr J, sole director of a limited company 'E', complains that an international payment made from E's account with Metro Bank PLC did not reach its intended recipient. And the bank failed to explain why.

### **background**

On 24 August 2018 Mr J made a payment from E's business account with Metro to a business partner in India. The money was returned to E's account a few days later. Mr J says he asked Metro why the payment was returned but they didn't give him an explanation.

On 12 September 2018 Mr J sent the payment again. He's told us he provided more information this time to try and ensure the bank could process it. But the intended recipient told him they hadn't received it, so he contacted Metro to find out why.

Metro told him the funds had left E's account. They contacted their intermediary bank in the UK to try and trace the payment. And to apologise for the inconvenience they refunded the £25 payment fee Company E had paid to make the transfer.

Mr J wasn't happy that the money hadn't reached its intended recipient, or been credited back to E's account. So he brought his complaint to our service. He is also upset about the service he received from Metro as he was promised call backs that he didn't receive.

Our investigator didn't think that Metro had done anything wrong. They felt that the money had been held up by the beneficiary bank's intermediary in India. They thought this was outside of Metro's control.

Mr J still doesn't think Metro treated his business fairly as the payment wasn't made. He says Metro have failed to provide the service his company paid for. And as a result of the payment not reaching India he hasn't been able to carry out the business he intended. So the case has been referred to me to review.

The payment has now been credited back to E's account, but Mr J has complained that he's received a lower amount than was originally sent. Metro have explained that this is due to a difference in the exchange rate, and that this is outside of their control. But they've said they are happy for me to also consider this issue within my decision.

### **my provisional findings**

I've considered all of the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. I know they will be disappointed but I don't think Metro did everything they should have done to treat Company E fairly here. So I will be asking them to pay Company E £158.55 to reimburse them for financial losses they incurred. And to pay a further £450 compensation to reflect the inconvenience their actions caused. I'll explain why.

The first payment was debited from E's account on 24 August 2018 and returned on the 28 August 2018. I understand Mr J contacted Metro a number of times to ask why this payment didn't go through. He wanted to know if there was anything he could do differently to ensure it would go through next time. He's told us that Metro failed to call him back a number of times and he wasn't able to get an answer.

Metro's payment team have now explained that the beneficiary bank were unable to put the funds in the recipient's account. They've also given me a copy of the message they received from the beneficiary bank. I don't think it is clear from the message why the payment failed. So I don't think that based on the information Metro had they could've explained the specific problem to Mr J.

However, he did ask them to investigate this. And on 20<sup>th</sup> September 2018 Mr J called Metro and asked them to raise a formal complaint as he had been promised call backs about this payment that he hadn't received. On this call Metro told Mr J they'd raised a payment trace on 10<sup>th</sup> September 2018 to try and find out why this failed – though they haven't provided me with any evidence of this. Metro said they hadn't received any answers from this payment trace, so they hadn't been back in contact with Mr J. He was also assured on this call that he would receive an update in 3 working days about his complaint. But I can't see any evidence that this was provided to him.

I don't think Metro provided Mr J and Company E with the level of service they should expect here. It was clearly very important for E to make this payment to the beneficiary. And it was for a large amount of money. I understand Mr J spent a significant amount of time chasing Metro. And I think it would have been reasonable to expect them to keep him updated. To recognise the inconvenience this caused Company E I think it's fair to ask Metro to pay it £100 compensation.

Mr J made a second payment request from E's account on 12 September 2018. I can see that the funds left the account on 14 September 2018. I understand Metro contacted Mr J with a query about the payment on 13 September 2018. And that they use an intermediary bank to make international payments. So I don't think it's unreasonable the money wasn't debited on 12 September 2018. And I think Metro processed the payment in a reasonable timeframe.

However Mr J's business partner didn't receive the money. I need to consider whether it is fair to hold Metro responsible for this. So I've looked at what actions Metro took after the payment left them. Metro have given us their records which show the beneficiary bank asked them for some more information about the payment on 17 September 2018. The message said that some 'KYC (know your customer) details' were required. And it advised that the beneficiary bank had put E's payment on hold for a maximum of 5 days. Metro received the same message again on 20 September 2018. They replied the same day saying they were chasing Mr J to get the information, which they then provided on 21 September 2018.

It's not clear why Metro didn't reply to the beneficiary's message sooner, as it appears they had the information required without having to speak to Mr J. But I can see that they did reply within the 5 day timescale set by the beneficiary bank. So I don't think that this delay in itself would have prevented the payment from being made.

However, it doesn't appear that Metro supplied the beneficiary bank with all of the information they asked for. One of the details requested was E's registration number. And this wasn't included in Metro's reply. I've listened to the calls Metro had with Mr J and I can't see that they contacted him to ask for this at any point.

Metro received another request for information from the beneficiary bank on 24 September 2018. Mr J was frustrated when he was told about this as he felt they were asking for information he'd provided before. And this made him doubt whether Metro were doing all they could to make E's payment.

I understand Mr J's frustration. I can see he'd provided some of this information to Metro before and it was included on the payment instruction. But having looked at the beneficiary bank's messages, and listened to the phone calls Metro had with Mr J, I can see Metro were just repeating what had been asked by the beneficiary bank. And some of the information asked for, like a passport or driving license number, I don't think they'd been given before.

Metro responded quickly to this second request for information. However, as well as the new details requested, the message again asked Metro to provide E's registration number. Metro didn't ask Mr J for this when they spoke to him about the request on 25 September 2018. And again this wasn't provided to the beneficiary bank.

Metro have told us that they didn't provide Company E's registration number because they didn't feel they had to. They'd already provided Company E's account number – and they felt that this unique

identifier was sufficient. I'm afraid I don't agree it was reasonable for Metro to make the assumption that they didn't need to provide this information. Or at least explain to the beneficiary bank why they hadn't provided it. They were asked for it twice, so it was clearly something the beneficiary bank wanted to know.

The beneficiary bank returned the funds with a message saying that they'd done so because not all of the 'KYC' (key customer information) had been provided. Given that Metro doesn't appear to have given them everything they asked for, or given Mr J the chance to provide it, I don't think Metro did everything they should have done here. And I think, on balance, it's more likely than not that this prevented the payment from being made.

Mr J has told us that as a result of this payment not being made, he had to set up a new account with another bank to make the transfer. And the investment he was looking to make with it was delayed by nine months. He's accepted that Company E isn't able to show us any evidence of financial loss suffered as a result of this delay. But it's clear that the failed payment caused Company E great inconvenience. And as such I feel it would be fair to ask Metro to compensate them with £250 to recognise this.

Mr J asked Metro to return the funds to E's account if the payment couldn't be made. But the money wasn't returned for over a month after he attempted to make the payment. And 23 days after the beneficiary bank said they couldn't complete the transfer.

Metro received a message from their intermediary on 26 September 2018 asking for information so that the payment could be returned. Metro didn't respond to this or another message chasing it. They've explained this was because on 27 September 2018 Mr J told them his business partner had confirmed the beneficiary bank had the funds and were going to complete the transfer. So Metro thought the issues with the payment had been resolved.

I think it was reasonable that they thought this new information was more up to date than the message from their intermediary. And that they closed their investigation into E's payment at this point. However, on 1 October 2018 Mr J explained to Metro there had been a misunderstanding and the beneficiary bank did not in fact have the funds. I can see Metro received another message from their intermediary asking them to provide information so that they could return the payment on 3 October 2018. And I would have expected them to respond to this promptly, or contact Mr J as soon as possible if they didn't have the information needed.

Metro haven't given me any evidence to confirm when they provided this information to the intermediary. But I can see Metro received the money on 18 October 2018, and credited it back to E the next day.

Given Metro advised Mr J that international payments are normally made within 5 working days I think it's fair to expect that this money should have been returned within a similar timescale. It's not clear how much of the delay here was due to Metro, and how much their intermediary. But as they were acting as an agent of Metro, Metro is responsible for their actions here. To compensate Company E for the delay in returning their funds, I think it would be fair to ask Metro to pay them a further £100 to reflect the inconvenience this caused, and potential lost interest payments.

When the funds were returned to Company E, they received £158.55 less than they had initially tried to transfer. Metro have explained this is due to differences in the exchange rate – which they say is outside of their control. I accept why this was the case. But as I've outlined why I feel Metro are responsible for the payment not being made, and then for it taking so long to be returned to Mr J's account, I think it would be fair to ask them to reimburse Company E this amount.

**my provisional decision**

My provisional decision is that I uphold this complaint against Metro Bank PLC for the reasons outlined above.

To put things right I require them to pay Company E £158.55 to reimburse them for financial loss. And a further £450 in cumulative compensation to recognise the inconvenience that their actions caused.

Jenette Lynch  
**ombudsman**