

complaint

Miss M complains about a money transfer she carried out through TransferWise Ltd.

background

Miss M wanted to transfer some money from overseas. It was a large amount and she wanted TransferWise to hold the exchange rate. But TransferWise would only hold the rate for 48 hours. And there was a delay with the overseas bank. So Miss M said she told TransferWise not to complete the order.

Ten days later the exchange rate had improved. So Miss M decided to send the money. She thought she'd get the current rate. But she received a different exchange rate which was lower than the original one she'd cancelled. So she wants £70 compensation for the amount she's lost. And she wants TransferWise to waive its £40 commission costs.

TransferWise said currencies are converted using the live mid-market rate. But it may offer the option of locking the exchange rate for a period of 24-72 hours, depending upon the currency.

TransferWise could see Miss M had set up her first transfer on 11 July 2017. If the money had been received within 48 hours the transfer would've taken place at the locked rate. TransferWise couldn't find any record of Miss M calling to try and cancel the order. It said only the customer could cancel an order. And it had to be done through their online account. So even if Miss M had been able to speak to its operators they wouldn't have been able to cancel the order for her.

Miss M set up a second transfer on 22 July 2017. But when the funds arrived they were automatically allocated against the first order. More than 48 hours had passed since that order was placed. So the mid-market rate was used. TransferWise said the difference between what Miss M received and what she would've received if the second order had completed was £32.64. So as a gesture of goodwill TransferWise credited £35 to Miss M's account.

Miss M wasn't satisfied with TransferWise's response. So she contacted our service and our investigator looked into the matter. She looked at TransferWise's terms and conditions and didn't think TransferWise had done anything wrong. TransferWise's advisors weren't able to cancel Miss M's first transfer on her behalf. Only Miss M could do that through her online account. So when the funds arrived TransferWise placed them against the first order – in accordance with its terms and conditions.

Miss M didn't agree. She thinks it's unfair TransferWise can leave a pending transaction on its system. So she's asked for an ombudsman's final 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.

I can understand Miss M's frustration. She wanted to transfer some money from overseas. And she thought she'd cancelled the first order when the rate couldn't be held. So she was surprised when she didn't receive the rate she expected for the second order.

The role of our service is to see if TransferWise has made any mistakes or acted outside of the terms and conditions of the account. So I've looked carefully at everything Miss M and TransferWise have said.

When Miss M decided to open the TransferWise account she accepted the customer agreement. The agreement explains the instructions for cancelling orders. I realise Miss M says she spoke to an adviser at TransferWise to cancel the transfer. But TransferWise hasn't been able to find any trace of the call. So I can't be sure what conversation took place. But in any event Miss M would need to log onto her online account to cancel the transfer herself. The adviser wouldn't be able to do it.

Because it wasn't cancelled the order remained on TransferWise's systems. TransferWise allow orders to remain active for a few days so delayed funds can arrive. But after 14 days it automatically removes the pending order from its system. However Miss M set up her second transfer, and provided the funds, within the 14 day period. So the funds were automatically allocated against the first order.

The transfer took place at the mid-market exchange rate for that day and Miss M received £32.64 less than if the transfer had taken place at the rate for the second order.

Based on what I've seen, I can't really say TransferWise has done anything wrong. It's acted within the terms and conditions of the account and processed the order in the normal manner. And the customer agreement makes it clear that customers must use their online account to cancel any unwanted orders themselves.

I realise Miss M thinks TransferWise should've cancelled the first transfer when it didn't go through. But I don't think it's unreasonable for TransferWise to keep the order pending for a short period. And I can see it's offered a credit of £35 as a gesture of goodwill to make up for the loss Miss M suffered on the exchange. I understand it will be credited to her online account so Miss M can use it to pay for her service.

Taking everything into account, I think that's a fair and reasonable response. And I won't be asking TransferWise to do anything more.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss M to accept or reject my decision before **30 April 2018**.

Andrew Mason
ombudsman