

complaint

Ms L is unhappy that Nationwide Building Society (Nationwide) didn't tell her that they use an intermediary to make payments to a country located in a single euro payments area (SEPA).

background

Ms L contacted Nationwide using an online messaging service from May- July 2018 to find out how to make an international payment as she needed to do this to set up a French bank account. She's explained this was to deal with her Godmother's estate.

I've provided a short timeline of key events below.

- 19 June- Ms L arranged for a SEPA payment of £268.74 (300 Euro) to be made from her current account to a bank located in France. She paid a processing fee of £9.
- 22 June- £262.01 was credited into Ms L's account. Ms L contacted Nationwide to query this credit.
- 28 June- Ms L was told the credit was a return of her SEPA payment. The reason provided on the account was '*transaction forbidden on this account.*'
- 24 July- Ms L informed Nationwide that she had contacted the bank in France and they'd told her that the payment was returned because the account number didn't match the account number she had provided on her registration form.
- 26 July- Ms L was told that Nationwide uses an intermediary bank to process SEPA payments. The intermediary bank's account number would be used to process the payment to the bank in France.
- 27 July- Ms L went into branch and a member of staff tried to make the SEPA payment again, and Ms L was charged the processing fee of £9. This payment was returned by the bank in France.

Ms L complained to Nationwide about the lack of information given to her about the bank's policy in using an intermediary for SEPA payments. Nationwide didn't think they'd done anything wrong with the information they'd provided, but agreed to refund £18 to Ms L as a gesture of goodwill.

The adjudicator found that Nationwide's response was fair, and didn't recommend any further compensation. Ms L disagreed with the adjudicator's view, saying that Nationwide caused delays by not telling her of the process when she initially enquired. Ms L requested Nationwide compensate her for the time and effort she'd spent trying to sort out the issues concerning her SEPA payment.

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 understand that this has been an upsetting time for Ms L. Having reviewed the case, I agree with the adjudicator's findings, and I won't be recommending compensation for this complaint.

Ms L says that Nationwide should've told her from the start that they use an intermediary bank to make SEPA payments. She says she could have chosen to go with another bank, and this would have avoided any delay.

I've looked at the messages exchanged between Ms L and Nationwide. I accept that Nationwide didn't tell Ms L that they use an intermediary for SEPA payments initially. But I don't think Nationwide did something wrong.

From the messages I've seen Ms L was given information about the process for making a SEPA payment, things like how to do this online, and how much it would cost. I appreciate that for the SEPA payment to be received correctly, the bank in France required that the account number for the paying account matched the account number for Ms L's account in the UK. This requirement was set by the bank in France. Nationwide had no way of knowing this process for the bank in France. I don't think they did anything wrong in the information they gave Ms L about their own processes for making an international payment.

When Ms L questioned whether the payment had debited her account correctly, Nationwide confirmed the payment had been taken from her account but was returned because it wasn't accepted by the bank in France. Nationwide had correctly processed Ms L's payment, and I think the explanation provided to Ms L about what had happened was fair.

I've seen that following Nationwide's explanation, Ms L contacted Nationwide on several occasions to discuss other banking issues. I've seen that Nationwide responded to Ms L's queries promptly each time. It's fair to say that Nationwide were unaware during this time that Ms L's issue with making her payment to the bank in France remained unresolved. There's no mention of this issue to Nationwide until a message sent on 24 July.

On 24 July Ms L told Nationwide that it was because the account number didn't match the account number she had provided on her registration form that payment couldn't be received by the bank in France. I've seen that Nationwide told Ms L that the reason for the account numbers not matching was because they use an intermediary.

Although Ms L says Nationwide is responsible for delays on the claim, I think Nationwide told Ms L about using an intermediary as soon as they became aware of the reason why the payment was returned by the bank in France. Whilst Ms L was dealing with the bank in France throughout late June and July, Nationwide weren't made aware of the issues she was having until 24 July.

I've seen that following Nationwide's confirmation about using an intermediary, a further payment was attempted on 27 July in branch. I can appreciate it would have come as a disappointment when the payment was returned a second time but I don't think Nationwide are responsible for this.

Ms L was made aware that Nationwide use an intermediary. It was reasonable to try and attempt another payment but I think this was done with the understanding that it may not be successful. This is because at the time of attempting the second payment there was no indication that the process for the bank in France had changed.

The evidence I've seen shows that the information provided by Nationwide on how to make an international payment was fair, and provided in good time. For these reasons I don't think

Nationwide should pay any compensation for this complaint. I've seen that Nationwide have refunded Ms L the cost of both processing fees and I think that's fair in the circumstances.

my final decision

For the reasons provided I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms L to accept or reject my decision before 1 August 2019.

Neeta Karelia
ombudsman