

complaint

Mr L complained because National Westminster Bank plc delayed processing a CHAPS payment.

background

Mr L, who was abroad, asked NatWest how to process a payment of £100,000. He wanted to make a foreign exchange transaction with it. He was told to send a fax asking for a CHAPS payment, which he did on 9 September. Later that day, Mr L had a call from the branch manager, saying NatWest couldn't accept a fax. Mr L told him he'd been told to send a fax, and the manager said "*leave it with me.*" Mr L didn't hear back, so he rang about 3pm, and was told the payment had been made. But it hadn't been, and it didn't leave his bank account that day.

The next day, Mr L was told that the payment had been rejected because Mr L's signature wasn't clear. Mr L got on a plane and went to see the branch manager later that afternoon. Mr L said the manager shouted at him, and left him to wait in a room for 20 minutes. By then it was too late for the CHAPS payment to be made that day either.

By the next morning, 11 September, the foreign exchange markets had moved and the deal Mr L had intended to make was no longer available at the same rates. Mr L decided he'd still make the payment, but would put the money into a fund instead. He complained to NatWest.

NatWest apologised, and upheld Mr L's complaint about poor service, but it didn't uphold Mr L's complaint about his financial loss. It explained that the reason the payment had been rejected was because Mr L's signature on the fax hadn't matched the signature on the bank's records. NatWest paid Mr L:

- £200 for poor service;
- £50 to reimburse phone costs; and
- £23 to refund the CHAPS fee.

NatWest also said that it would consider Mr L's other claims, if he provided sufficient documentary evidence:

- His financial loss from not having been able to make the foreign exchange deal he'd planned;
- His flight from abroad to the UK to go and see the branch manager;
- Any phone costs which exceeded the £50 the bank had paid.

Mr L emailed to say the CHAPS transfer was intended to fund a currency purchase at one price and sale at another price, but NatWest said this wasn't sufficient evidence. Mr L complained to this service. He said he'd lost £100,000 with leverage, but that NatWest wouldn't negotiate.

The adjudicator looked at Mr L's signature on the fax, and compared it with the signature on the bank's records. She said that in her opinion the signature differed enough for the bank to delay the transfer and carry out a check. She said NatWest was within its rights to do so, even if Mr L had told the bank in advance that he wanted to do the transfer. Mr L said he'd also phoned three times and had answered security questions every time. The adjudicator considered that she could only ask NatWest to cover any losses if it had made an error with the transfer, and it hadn't. The bank was entitled to flag the request for a security check, and the payment left on 11 September, which she considered reasonable.

Mr L didn't accept this. He said the payment could have been resolved by one phone call by a competent person and it took 72 hours, and he'd lost a lot of money. Mr L also raised new matters which had happened since the transfer, which the adjudicator advised he'd need to raise first with the bank as a separate complaint.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. For clarity, this decision relates to the delayed CHAPS payment, and not to any subsequent issues.

The amount Mr L says he lost was significant, and I can understand that he was very upset when the CHAPS payment wasn't transferred as he'd planned. The service he received from his NatWest branch was poor. This included the confusion over whether or not a fax could be used; the poor service when Mr L went into the branch; and the incorrect assurance from the manager that the payment had been made.

I note, however, from the fax heading on the NatWest "*Urgent referral of CHAPS payment*" form that the branch did send off the request on the afternoon of 9th. Mr L said the CHAPS deadline was 2.30pm, so the transaction would have been made on 10th if it hadn't been for the security check. Mr L didn't say 10th was too late for the rate he wanted, so the poor branch service wouldn't have been fatal if it hadn't been for the signature problem.

I recognise that timescales were vital for a foreign exchange deal. The two days which the payment took might be adequate in some transactions, but weren't for Mr L's plans. I see that Mr L's fax specifically says "*please process this today*". I also note that NatWest hasn't disputed that Mr L rang up in advance to ask the best way to get his transaction processed immediately, and was told that a CHAPS payment was the right mechanism.

But I have looked at the two signatures on Mr L's fax, and the signature which NatWest held on its records for Mr L. The signature on the bank's records dated from 2006 when Mr L opened his account, but the signatures are indeed different. NatWest was entitled to make security checks. I realise this was frustrating to Mr L because he knew his payment was genuine, but I consider the bank's caution over this large payment was justified. If the fax had indeed been from someone impersonating Mr L, I consider Mr L would have had a justified complaint if NatWest had paid out on such a different signature. So I don't find that NatWest was wrong to delay the payment for security checks.

Looking at compensation, the £200 which NatWest paid Mr L for the poor service from the branch is in line with compensation awarded by this service for similar matters. NatWest did, as I'd expect it to do, also pay for Mr L's phone costs and reimbursed his CHAPS fee. I note that it offered to consider financial loss for matters such as the deal, and his flight to the UK, but I find it was reasonable for the bank to require more watertight evidence than Mr L was able to provide. And I have found that NatWest acted properly in delaying the payment because of the difference in signatures, so I don't require the bank to do 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 Mr L to accept or reject my decision before 5 February 2016.

Belinda Knight
ombudsman