

complaint

Mr K complains that TransferWise Ltd duplicated a large transfer made to his solicitor abroad in error.

background

The background to this complaint, and my initial conclusions, were set out in my provisional decision dated 12 March 2018 - a copy of which is attached and forms part of this final decision.

In my provisional decision I explained why I didn't intend to uphold this complaint – in the sense that TransferWise had already offered fair compensation. But I invited both parties to send any additional comments or evidence they wished to provide before I reached a final decision.

TransferWise told us it had nothing further to add. Mr K didn't provide any new evidence for me to consider. But he did say that he didn't think I had fully appreciated the time wasting, stress and inconvenience he experienced as a result of the transfer being duplicated.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. And I've thought carefully about Mr K's latest comments. But having done so, I don't intend to uphold his complaint for the reasons given in my provisional decision.

As I explained in my provisional decision, TransferWise has provided evidence which indicates its banking partner tried to recall the duplicate payment. And had the recall been successful, I think this matter would've been resolved very quickly and without any material inconvenience to Mr K.

But as I also explained, the recall wasn't successful because the funds had been transferred out of Mr K's solicitor's account to Mr K's personal account. And I don't think I can say that TransferWise was responsible for this.

So while I fully acknowledge that Mr K suffered stress and inconvenience at what was already a stressful time for him, I think most of the problems Mr K experienced resulted from the funds having been subsequently transferred to his personal account. So I don't think TransferWise should pay compensation for the problems Mr K has told us about as a result of the funds being held in his personal account.

But it's not in dispute that TransferWise duplicated the transfer in error. And TransferWise had already agreed to refund Mr K with the fee he'd paid for the correct transfer – a fee he was always due to pay. And it refunded a further £140 that Mr K said it would cost him to transfer the funds back to TransferWise - a cost Mr K didn't end up incurring. So I think that overall this is fair compensation for TransferWise's error. And I'm not going to ask TransferWise to pay any more compensation.

my final decision

For the reasons given above and in my provisional decision, while I'm sorry to disappoint Mr K, I don't uphold his complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr K to accept or reject my decision before 23 April 2018.

Sandra Greene
ombudsman

Copy Provisional Decision

complaint

Mr K complains that TransferWise Ltd duplicated a large transfer made to his solicitor abroad in error.

background

Mr K and his wife were purchasing a property abroad. He transferred the funds needed for the property deposit to TransferWise on 19 July 2017. The amount transferred included a fee of £248.76. Mr K instructed TransferWise to send the funds – less the fee, in Euros to his solicitor abroad on 20 July 2017. Unfortunately, due to a technical error with TransferWise's banking partner, the payment was sent twice.

As a result, Mr K says that he then became embroiled in a series of money laundering enquiries from the bank abroad involving numerous emails and phone calls. And he says this caused worry and inconvenience at what was already a stressful time.

TransferWise hasn't disputed the payment was sent twice in error. But it says that it contacted Mr K on the same day the transfer was sent to explain the situation and to confirm that its banking partner had recalled the duplicated payment. And it has provided evidence from its banking partner to confirm this. TransferWise also says it asked Mr K to let the beneficiary (his solicitor) know, so that the solicitor could authorise the recall if required to do so.

TransferWise says that if the funds had been recalled successfully Mr K wouldn't have suffered the inconvenience and problems he's mentioned in getting the funds returned. But the recall was unsuccessful because the funds were transferred from Mr K's solicitor's account to Mr K's personal account abroad.

Mr K complained to TransferWise. It ultimately agreed that Mr K could return the funds - via its bank abroad to avoid an exchange rate loss. And that Mr K could deduct the cost of the transfer fee he'd paid for the transfer that was made correctly and a further £140 – the amount Mr K told TransferWise it would cost to transfer the funds back to it. But Mr K didn't think TransferWise had done enough to put things right so he referred his complaint to this service.

One of our adjudicator's looked into the complaint and he thought it should be upheld. He said the duplicate payment was TransferWise's error so it should pay Mr K £250 for the inconvenience the error caused – in addition to the deductions from the amount due to be returned that TransferWise had already agreed to.

Mr K indicated he was prepared to accept the adjudicator's recommendation. TransferWise didn't agree. It acknowledged the payment had been sent twice in error. But it didn't accept that it was responsible for the subsequent problems Mr K encountered. It said it had offered to rectify the situation immediately with a quick solution – recalling the payment from the solicitor's bank, but this was not used. Rather the funds had been transferred by Mr K's solicitor to his personal account. It reiterated that it had already accepted £388.76 less from the funds that should have been returned to it. So it didn't think a further payment of £250 was due. So the case has been passed to me to reach a final decision.

my provisional findings

I've considered all the available evidence and arguments to provisionally decide what's fair and reasonable in the circumstances of this complaint.

It's not in dispute that the transfer was duplicated in error. But I've not seen anything to suggest that Mr K suffered a financial loss as a result. From what I've seen Mr K didn't pay a second transfer fee and there wasn't an exchange rate loss in returning the funds. I can see that Mr K did initially tell

TransferWise that he would incur an additional charge of £140 when returning the funds, but he has since confirmed that he didn't need to pay this in the end.

So what I need to consider is whether TransferWise is responsible for the inconvenience Mr K has told us about and if so, what level of compensation award is fair in the circumstances.

The payment was duplicated. But TransferWise has provided evidence which indicates its banking partner tried to recall the duplicate payment. It has also provided a copy of an email it sent to Mr K asking him to notify the beneficiary that the duplicated payment would be recalled. I think this is a reasonable remedy and one that is often used when funds are transferred incorrectly. And I think that if the recall been successful then this matter would've been resolved there and then without any material inconvenience to Mr K.

But it seems the funds were subsequently transferred from Mr K's solicitor's account to Mr K's personal account. So I've thought about this carefully. And I think the instruction to transfer the funds to Mr K's personal account could have only come from Mr K's solicitor. I can't be sure if Mr K authorised his solicitor to transfer the funds to his personal account. But in any event, I don't think I can say that TransferWise was responsible for the funds ending up in Mr K's personal account.

I note Mr K has told us the solicitor transferred the funds before TransferWise made him aware of the error. But the transfer related to the property purchase deposit funds, so I think it's most likely that the solicitor would've known that only one transfer was due and the amount that was due. So I also think that when the solicitor received two payments for the same amount, it would have been reasonable for the solicitor to have double checked that an error hadn't been made before transferring the funds to Mr K's account. And it seems the problems Mr K had resulted from the funds being in his personal account. So taking this all into account, I don't think TransferWise was responsible for the problems Mr K had when transferring the funds back.

It seems that TransferWise did agree to refund Mr K with the fee he paid on the genuine transfer - £248.76, a fee that Mr K would have always paid had the payment gone through without problem. And although Mr K didn't end up paying the £140 mentioned above, TransferWise also agreed to cover this fee. These amounts were deducted from the amount Mr K transferred back to TransferWise. And I can see that TransferWise also said it offered Mr K a discount on the subsequent transfer he would need to make to complete the property purchase.

As I think TransferWise was only responsible for sending the duplicate payment. And that it offered a reasonable remedy for the funds to be returned which was not used by Mr K. I consider its offer to allow Mr K to deduct the above fees from the returned funds is sufficient to recognise the inconvenience it caused.

So I don't intend to ask TransferWise to take any further action or pay Mr K any more compensation.

my provisional decision

I'll consider any further comments received by 26 March 2018. But unless anything changes my mind, I don't intend to uphold this complaint – in the sense that TransferWise has already agreed fair compensation.

Sandra Greene
ombudsman