

The complaint

A charity, which I will call K, complains that TSB Bank plc mishandled several international transfers.

Mr G, one of K's trustees, brings the complaint on its behalf.

What happened

Mr G told us:

- K works with partners in another country, and regularly makes payments to those partners. Up until December 2019 it had no difficulty making payments using TSB, and funds would reliably arrive within one to three days.
- From December 2019 onwards TSB's international payment system became unreliable. Sometimes the payments would take two months to arrive, sometimes they would be returned with fees deducted, but occasionally they would reach the recipient in just a couple of days.
- He has raised the issue with TSB many times. It failed to address the issue, and instead put the blame on him for attempting to send money to a closed account (which he did not), failing to provide routing information (which was not available to him), or failing to enter information in a box on its website (which did not exist).
- He believes the problem is that TSB is attempting to route payments through intermediate banks which do not have a correspondent relationship with the recipient's bank. He has tried to get TSB to route the payments through two specific banks, which he understands do have the relevant relationships, but TSB has not done so.
- The delays have caused considerable inconvenience to K, as well as some unnecessary costs. But the impact on K's foreign partners have been much more significant. As just one example, the delays meant that a construction project that would have benefitted many people had to be halted and staff laid off.
- His various complaints to TSB have resulted in five TSB complaint references (covering more than five payments). His understanding is that TSB linked all five references and kept all of them open, and so he should be able to refer all five of those complaints to our service.

TSB told us:

- It issued five final responses to K's five different complaints. Mr G only referred one of those complaints to us within six months of the relevant final response – which means that the other complaints were referred too late. It does not consent to us looking at the first four complaints, and so it believes we can only consider K's most recent complaint about payments instructed on 9 August 2021 and 1 September

2021.

- It did not do anything wrong in relation to those two payments. It sent both payments using the SWIFT system, which is automated, but they were ultimately rejected.

One of our investigators said we couldn't look at K's complaints about the payments instructed before 9 August 2021, because those complaints had been referred to us too late.

He did look at K's complaint about the payments instructed on 9 August 2021 and 1 September 2021 but he didn't think TSB had made any mistakes and so he didn't recommend any compensation.

TSB accepted our investigator's findings, but Mr G did not. Briefly, he said:

- TSB told him on numerous occasions, and most recently in autumn 2020, that all five reference numbers were marked in its system as "open", and that the four earlier references were linked to the later one. It also said that the four earlier references now formed part of the later one, and "confirmed to me that the dates on earlier Final Response letters no longer applied". He explained that "my very clear understanding was that the final response to [K's complaint about the transfers instructed on 9 August 2021 and 1 September 2021] represented the final response letter to all five complaints, and is the relevant letter to my subsequent referral to your service".
- He disputes the conclusion that TSB did not make a mistake in respect of the payments instructed on 9 August 2021 and 1 September 2021. Everyone accepts that K provided TSB with both the correct IBAN information for the recipient and the correct fee. That is all that is required of K. If TSB cannot provide the service that is requested, then at the very least it should refund the fee.

My provisional decision

I issued a provisional decision on this complaint in June 2023, and explained why I agreed with TSB as to jurisdiction. I didn't think K had referred its first four complaints to us in time, and I didn't think exceptional circumstances had prevented it from complying with the time limits.

I went on to consider the merits of K's complaint about the payments instructed on 9 August 2021 and 1 September 2021. I said:

"TSB used SWIFT to attempt to send the international payments. I don't criticise it for doing so; SWIFT is designed to facilitate international payments like the ones K intended to make. TSB is also right to say that SWIFT is an automated process and that it has no control over how the payments are routed.

I appreciate that this is a deeply unsatisfactory situation. I think Mr G and K did everything they could to ensure that the 9 August 2021 and 1 September 2021 payments reached their international partner, and it was in no way their fault that the payments did not arrive. But I don't think the problem was TSB's fault either; I think it also did everything it could and so it is entitled to payment for the services it provided.

It's clear that something did go wrong somewhere – and it's possible that the problem happened outside the UK. But TSB is not responsible for the actions of the othe

banks involved, nor is it responsible for SWIFT. K has no relationship with the other banks, so I cannot consider a complaint from K about anything they may have done.

I understand why Mr G is suspicious that the problems K experienced might have something to do with TSB's systems becoming fully integrated with those of Banco Sabadell (its parent company). He had no problems before 2019, then TSB's process for handling international payments changed, and then the problems began. But I've seen nothing to suggest that that is anything more than a coincidence. I've seen the SWIFT messages that relate to the payments instructed on 9 August 2021 and 1 September 2021, and as our investigator explained the payments were returned for reasons that had nothing to do with either TSB or Banco Sabadell.

I am not persuaded that TSB did anything wrong here, so it would not be fair for me to uphold this complaint.

I believe K has since found an alternative way to pay its international partners, and I hope those payments continue to be trouble free."

Neither party provided any further comments in response to my provisional decision.

What I've decided – and why

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

Having done so, there is nothing I can add to my provisional findings – and I now confirm them as final. I am not persuaded that TSB did anything wrong, so it would not be fair for me to uphold K's complaint.

My final decision

My final decision is that I do not uphold this complaint against TSB Bank plc.

Under the rules of the Financial Ombudsman Service, I'm required to ask K to accept or reject my decision before 11 August 2023.

Laura Colman
Ombudsman