

The complaint

Mr M and Mrs M complain about a USD payment made by Coutts & Company (Coutts).

What happened

Mr M and Mrs M had GBP and USD accounts with Coutts. On 3 October 2022, Mr M phoned to make a payment for USD50,000 to an account in the USA.

Coutts debited Mr M and Mrs M's sterling account with the GBP equivalent.

Mr M and Mrs M complained. They said the payment should've been debited to the USD account – which had a balance of over USD143,000. They said that Coutts had a duty of care to them and it was obvious that the payment should've been from the USD account – given the poor USD/GBP exchange rate at the time. And they said they thought the USD and GBP account was under the 'same umbrella'.

As a result, Mr M and Mrs M said they'd lost money on the exchange rate. They calculated this to be £3,517.

Coutts said the call in which Mr M gave his instructions was clear. They said the call handler:

- Asked - was the payment to be sent from the USD account – and Mr M said that wasn't the case.
- Asked if the payment was to debit the sterling account – Mr M confirmed that was correct.
- Asked was the payment to go to Mr M's USD with Coutts – he confirmed it was going to another bank in the USA.
- Reconfirmed the payment was to debit the sterling account and gave the account number. Mr M confirmed that was correct.
- Reconfirmed again that payment was to be made from the sterling account.

Coutts declined to refund any money.

Mr M and Mrs M brought their complaint to us. Our investigator didn't uphold it – and agreed with the points made by Coutts.

Mr M and Mrs M didn't agree. They said again that Coutts had a duty of care to them and should've made the payment from the USD account.

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.

The crux of this complaint is the call on 3 October 2022, and I listened to it. I detail the key parts:

Mr M: I want to transfer some USD to an account in the US.

Coutts: To confirm you want to make a payment from your USD account? Mr M: No, (it's) to my USD account from my UK account.

Coutts: That's your 'pounds sterling' account? To your USD with us or to another bank? Mr M: No, (it's) to a USD account with (bank in USA).

Coutts: (So the payment is) from your joint account ending XXXX? Mr M: Yes.

Coutts: payment leaving your joint sterling account ending XXXX for USD 50,000 to (details the US bank account).

Coutts: Happy to process that for you?

Coutts then confirmed the payment was sent.

Therefore, on the call:

- Mr M said the payment wasn't being made from their USD account with Coutts.
- Coutts twice confirmed the payment was from Mr M and Mrs M's sterling account and quoted the sterling account number.

So – I'm satisfied that Coutts were clear with Mr M on the call – that the payment would be made from the GBP account.

Mr M has argued that Coutts should have been aware that the USD/GBP rate was poor and notice he had a large balance on the USD account – and then asked him if he should be making the payment from that account. But I don't think that's a reasonable thing to ask of Coutts' call handler. The call handler was taking payment instructions – not giving financial advice or having a discussion about exchange rates. And here – Mr M's instructions were clear – he asked for the payment to be made by debit to the GBP account, and the call handler confirmed it to him.

Mr M has also argued that all the money with Coutts was under the 'umbrella' of the sterling account. By this, I think he means that the funds in USD and GBP were in some way aggregated. But I've not seen that was the case, and as I've described, the call handler was clear in saying the payment was to be debited from the GBP account - so there wasn't any suggestion that anything other than that was to happen.

I can see Mr M and Mrs M feel strongly about their complaint and will therefore be disappointed by my decision, but I'm not asking Coutts to do anything here.

My final decision

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M and Mrs M to accept or reject my decision before 20 November 2023.

Martin Lord

Ombudsman