

The complaint

Mr V is unhappy that TSB Bank plc converted GBP to Euros when processing transfers to an overseas account.

What happened

Mr V instructed several transfers from his TSB account to an account he held with another bank overseas ("the recipient bank"). Mr V wanted the transfers to be made in GBP but found that the funds were received into his overseas account in Euros, having been converted into Euros by TSB during the transfer process. Mr V wasn't happy about this, so he raised a complaint.

TSB explained that the transfer had involved an intermediary bank – to which TSB sent the transfer amounts and which then transferred the money on to the recipient bank. TSB also confirmed that they'd sent the money to the intermediary bank as GBP with instructions to forward the amounts to the recipient bank in GBP – and that it was the intermediary bank which had mistakenly converted Mr V's money into Euros before forwarding it to the recipient bank. TSB also noted that the intermediary bank and Mr V's recipient bank were trying to contact Mr V to resolve the issue, and so referred Mr V to those banks accordingly.

However, TSB acknowledged that Mr V had been worried and inconvenienced by what had happened, including that Mr V would now need to liaise with the intermediary and recipient banks, and they apologised to Mr V for this and made a payment of £2,500 to him by way of compensation. Mr V wasn't satisfied with TSB's response, so he referred his complaint to this service.

One of our investigators looked at this complaint. But they felt that TSB's response to Mr V's complaint was reasonable, and that TSB had already compensated Mr V fairly for having to resolve this issue with the intermediary and recipient banks. Mr V remained dissatisfied, so the matter was escalated to an ombudsman for a final 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, I'd like to begin by confirming that this service isn't a regulatory body or a Court of Law and doesn't operate as such. This means that it isn't within my remit here to declare that TSB have or haven't acted in a non-regulatory or unlawful way.

Instead, this service is an informal, impartial dispute resolution service. And while we do take relevant law and regulation into account when arriving at our decisions, our remit is focussed on determining whether we feel a fair or unfair outcome has occurred – from an impartial perspective, after taking all the circumstances and factors of a complaint into consideration.

Similarly, it isn't within the remit of this service to instruct a bank to change its processes or how it operates, as these are commercial decisions that banks are entitled to make. Instead,

this service considers whether the actions and processes taken by bank have unfairly impacted a complainant in the specific circumstances of the complainant's complaint.

I draw attention to this point because I note that Mr V is unhappy that TSB have a maximum daily transfer amount of £75,000. But it's for TSB to set the daily transfer limit that they wish to apply and given that all TSB customers are subject to this same limit, I don't feel that TSB have treated Mr V unfairly by applying the limit regarding the money Mr V wanted to transfer. And I feel similarly regarding the other points of complaint that Mr V has made regarding his dissatisfaction with TSB's processes.

Mr V's main point of complaint is that TSB converted the transferred amounts to Euros, instead of transferring them in GBP as instructed. But TSB have demonstrated to my satisfaction that they didn't convert the money to Euros, but that it was in fact the intermediary bank that made the mistake of converting the money into Euros, having been instructed to process transfers in GBP by TSB.

The use of intermediary banks is common in international transfers, and I don't feel that TSB have acted unfairly by using one – especially as it seems clear that they instructed the intermediary bank to process the transfers as GBP correctly. And it also seems clear to me that the error that was made here which has unfortunately impacted Mr V was made by the intermediary bank and not by TSB.

Indeed, I've seen correspondence from the intermediary bank where they acknowledge the error that they've made and commit to putting it right. And it's my understanding that the intermediary bank has been in contact with Mr V's recipient bank and have attempted to contact Mr V to try to resolve this issue with him.

It seems fair and reasonable to me that Mr V should seek to resolve this issue with the intermediary bank and recipient bank in the first instance. And while I accept that this will be an inconvenience to Mr V, I feel that the £2,500 already paid to Mr V by TSB already provides fair compensation to Mr V for any trouble and frustration he may incur in contacting and working with the intermediary and recipient banks respectively.

However, if Mr V is reasonably unable to resolve this matter with the intermediary and recipient banks, then it seems fair to me that Mr V should be able to approach TSB and ask them to recover the money for him and process the transfers again. Although I would expect Mr V to demonstrate his attempts to liaise with the intermediary and recipient banks to TSB, and I wouldn't expect TSB to pay any further compensation to him beyond that which they've already paid.

Ultimately, I don't feel that TSB are responsible for what's happened here. But the intermediary bank they used does appear to have been responsible, and so it seems fair to me that TSB have compensated Mr V as they have – especially as it's now unfortunately necessary for Mr V to liaise with the intermediary and recipient banks as previously discussed.

All of which means that I feel the response that TSB issued to Mr V's complaint already represents a fair outcome to what's happened. And it follows from this that I won't be upholding this complaint or instructing TSB to take any further action – until such time that Mr V may possibly demonstrate that he's contacted the intermediary and recipient banks and tried to resolve this matter with them without success.

I realise this won't be the outcome Mr V was wanting, but I hope he'll understand, given what I've explained, why I've made the final decision that I have.

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 V to accept or reject my decision before 4 September 2023.

Paul Cooper
Ombudsman