

The complaint

X is unhappy that Barclays Bank UK PLC processed a transfer to an overseas account in the wrong currency.

What happened

X instructed Barclays to transfer £10,000 to an account he held overseas. The overseas account was also a UK Sterling ("GBP") account, but Barclays processed the transfer in Euros ("EUR") rather than in GBP as X wanted.

This meant that two unnecessary currency exchanges took place. The first was by Barclays when they converted the GBP to EUR before sending the money. The second was by the overseas recipient bank when they had to transfer the EUR received from Barclays back to GBP. And this meant that, after the two currency exchanges, X only received £9,522 into his overseas GBP account instead of the £10,000 he had instructed Barclays to transfer. X wasn't happy about this, so they raised a complaint.

Barclays responded to X but explained that X had instructed the transfer in EUR and that they didn't feel they'd done anything wrong by following the instructions X had given to them. X wasn't satisfied with Barclays' response, so they referred their complaint to this service.

One of our investigators looked at this complaint. But they didn't feel Barclays had acted unfairly in how they'd managed the situation and so didn't uphold the complaint. X 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.

When X instructed Barclays to transfer the money to the overseas account, Barclays weren't aware of the nature of that overseas account, including that it was an GBP account. As such, Barclays were dependent on X to provide the correct transfer instructions to them, including in regard to the currency in which the transfer should take place.

Upon review of the transfer instruction provided to this service by Barclays, I'm satisfied that X did instruct Barclays to transfer the money in EUR, which is what Barclays then did.

X has explained that they feel the overseas transfer instruction process that they followed is unclear. But I've reviewed this process, and I don't feel that this is the case.

I say this because an early part of the process involves confirming the amount of GBP the instructing party wishes to send, and in which currency. And at this stage the instructing party is also told how much of the selected currency the recipient will receive, as well as what the exchange rate from GBP to that currency is. A basic illustration of this is as follows:

You're sending **50** GBP

They get approx. 55.15 **EUR**

Based on a current indicative rate, which is 1 GBP = 1.1029 EUR

With the two fields in bold – the amount being sent and the currency in which it is to be sent – being selected by the instructing party.

Additionally, after the instructing party has inputted the remaining required information to facilitate the transfer, the information that they've inputted is displayed to them for them to confirm. And this includes the amount being sent, the currency in which it is to be sent, and the relevant currency exchange rate.

Barclays online form and process in this regard doesn't seem unclear to me, and I feel that X reasonably should have recognised that they had both instructed and later confirmed that the transfer was to be £10,000 sent to the overseas recipient account in EUR. And because of this, I don't feel that Barclays acted unfairly by processing the transfer in EUR as per X's given instruction to them to do so.

One thing that is notable is that Barclays form for overseas currency transfers has EUR as the default currency in which the transfer is to be sent. It appears that X unfortunately hasn't recognised this. However, given the clarity of Barclay's form and the fact that Barclays require instructing parties to review and confirm the transfer instructions before Barclays will act and process those instructions, I don't feel that Barclays should fairly be held accountable for X not recognising that they were instructing the transfer in EUR. Rather, I feel that this was a mistake that X themselves has unfortunately made.

All of which means that I don't feel that Barclays have done anything wrong or acted unfairly by processing X's transfer in EUR as per the instructions that X mistakenly provided to them. And it follows from this that I won't be upholding this complaint or instructing Barclays to take any further action here. I realise this won't be the outcome that X was wanting. But I hope they'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 X to accept or reject my decision before 6 November 2023.

Paul Cooper
Ombudsman