

The complaint

Mr and Mrs G are unhappy that Nationwide Building Society didn't make it clear what information needed to be submitted for an overseas transfer to be successfully processed.

What happened

Mr and Mrs G instructed Nationwide to transfer a sum of money to an overseas recipient. But the recipient didn't receive the money. And when Mr and Mrs G asked about this, they learned the transfer had been rejected because a type of bank identification number ("BIN") which was specific to the overseas territory in question hadn't been included by them in the instruction. Mr and Mrs G weren't happy about this, especially as Nationwide hadn't indicated that a BIN of that type would be required. So, they raised a complaint.

Nationwide responded and explained that their transfer form included a section for additional information such as a region-specific BIN to be included, and that it was Mr and Mrs G's responsibility to have checked with the overseas recipient bank exactly what information would be required. Mr and Mrs G weren't satisfied with Nationwide's response, so they referred their complaint to this service.

One of our investigators looked at this complaint. But they didn't feel that Nationwide had acted unfairly in how they'd managed the situation. Mr and Mrs G 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.

Mr and Mrs G feel that Nationwide should have provided clear information as to exactly what was required to enable the transfer to the overseas recipient to successfully complete.

But due to the nature of international transfers, there isn't one single standard that will allow all instructed transfers to complete. This is because there can be instances when specific countries will have different and potentially unique requirements, depending on the particulars of a transfer in question. And given the large number of overseas territories and the variety of transfers that might take place, I don't feel it's reasonable to expect a bank to have a log of all eventualities and requirements, as Mr and Mrs G feel should be the case.

Rather, while there are systems in place to make international transfers easier – such as the SWIFT system that was used in this instance – it remains the responsibility of the party instructing the transfer to ensure that all the required information is presented to the sending bank to enable a transfer to be successful.

Having reviewed Nationwide's international transfer form, I feel that this point is made clear on that form. Specifically, I note that the information field titled 'Reference number/Additional information' includes the following explanation:

“Some countries ask for more details when you send money. To avoid your payment being delayed or rejected, check if you need to include extra information.”

I feel that this statement explains that the responsibility for understanding the transfer requirements of the overseas recipient bank, including whether any region-specific BIN is required, rests with the sending party – in this instance Mr and Mrs G. As such, I feel it was for Mr and Mrs G to have contacted the intended recipient bank and to have confirmed with them what was required. And I feel that if Mr and Mrs G had done this, it's likely the overseas bank would have provided the required region-specific BIN to them.

Matters are slightly complicated here by the fact that the transfer was routed through an intermediary bank based in the overseas territory of the recipient bank. This meant that the final leg of the transfer was effectively a domestic transfer within that overseas territory. And it's for such domestic transfers within that country that the region-specific BIN is required.

Mr and Mrs G argue they had no way of knowing that Nationwide would route the transfer through an overseas intermediary which would mean that the final leg of the transfer would be an overseas domestic leg for which a BIN was required. But it's at the discretion of both the sending bank and the recipient bank as to whether the use of an intermediary bank for a transfer is required by them.

In this instance, it appears that both Nationwide and the recipient bank instructed the use of intermediary banks – hence the fact that two intermediary banks were used. But importantly, it was the overseas recipient bank that insisted upon the use of the second of these intermediary banks – the intermediary bank in its own territory – which resulted in the requirement for the region-specific BIN. Nationwide couldn't have known this would have been the case. And as explained previously, it was Mr and Mrs G's responsibility, as the sending party, to have checked what information the overseas recipient bank would require.

I realise this won't be the outcome that Mr and Mrs G were wanting, but it follows from all the above that I don't feel that Nationwide have done anything wrong or acted unfairly here, and this means that I won't be upholding this complaint. I hope Mr and Mrs G will understand, given everything 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 Mrs G and Mr G to accept or reject my decision before 19 September 2023.

Paul Cooper
Ombudsman