

The complaint

S, a sole trader business, complains that National Westminster Bank Plc debited its account with a higher amount for an international payment than it had been told.

What happened

S wanted to send a payment of EUR 130,000. The owner authorised this through a branch and was given an indicative cost in sterling. Further security checks were made, and he was then given a sterling equivalent amount which he believed to be final. But the actual amount debited to S' account was nearly £1,000 more than this and S wants this difference refunded.

NatWest said it hadn't made any mistake. It had made further security checks to help prevent fraud and scams. It said that its staff had told S that its rates were indicative. NatWest said that the owner had made payments for S a number of times before. And so would be aware of the possible rate differences and had previously complained about this and the position explained. NatWest apologised for the level of service S said it had received over the phone.

Our investigator didn't recommend that the complaint be upheld. S had received a payment confirmation slip in branch with an indicative sterling equivalent amount of £117,530.06 which the owner thought was high. Fraud checks were made, and the further indicative amount provided to S was £114,779.87. This was given as a handwritten amount to S and was based on system information then available. The manager of the branch involved stated that the two members of staff that S dealt with had confirmed that the owner had been told the position and understood these to be indicative rates. The final debited amount of £115,760.43 was still less than the original indication. The rates are set by NatWest and could have moved the other way.

S didn't agree and wanted the complaint to be reviewed. The owner thought that NatWest's systems were very inefficient. He said he had been caught out before and that's why he'd asked for the exact amount S would be charged before he left the branch. The fact that there was a delay in the payment being made is immaterial and from what he could see market rates had changed little and not enough to penalise S by nearly £1,000. This was totally the fault of NatWest.

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.

I understand the issue here. But this service isn't the regulator and doesn't have a role in setting processes or saying for example how exchange rates should be determined.

I appreciate that S understood £114,779.87 to be the final sterling equivalent amount after

the checks had been done. But there is also information from NatWest disputing that the owner was told this was final. I can't know exactly what was said to him at that time. I take into account that he'd said he made payments before in this way and knew that the amount could move. I can see the basis for the final amount in the information from NatWest.

NatWest wasn't offering to fix any particular exchange rate for payments made in this way. S had been aware of a higher indicative amount which seemed puzzling, but still authorised the payment. So, I'm afraid that S bore the risk of any changes in the rate that NatWest applied. It was also reasonable for NatWest to make any checks which here it seemed were complete about 35 minutes after the original payment instruction.

As our investigator has pointed out the actual rate used was more favourable than one S had originally acknowledged as an indicative rate. And I don't see evidence of an error in the final amount charged. So, I'm afraid I don't have a basis to find that NatWest made a mistake in processing this payment and should make any refund or pay S compensation.

My final decision

My decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask S to accept or reject my decision before 25 August 2023.

Michael Crewe
Ombudsman