

**Ombudsman determination**

**CIFO Reference Number: 16-000258**

**Complainant: [The complainant]**

**Respondent: [Bank X]**

It is the policy of the Channel Islands Financial Ombudsman (CIFO) not to name or identify complainants in any published documents. Any copy of this determination made available in any way to any person other than the complainant or the respondent must not include the identity of the complainant or any information that might reveal their identity.<sup>1</sup>

[The complainant] complained about a delayed bank transfer which resulted in a loss due to exchange rate movement.

**Background**

On 3 December 2015 [the complainant] contacted [Bank X] to enquire about a bank transfer of £250,000 following the sale of his house in [jurisdiction 1].

On 7 December 2015 [the complainant] called [Bank X] again and asked about converting the £250,000 from GBP to SEK and transferring it to [overseas].

[Bank X] received a letter of instruction to process the payment from [the complainant] on 21 December 2015. On the same day, [the complainant] was advised by [Bank X] that because his signature on the instruction was different to the one [Bank X] held they would scan a copy of his passport and resubmit the payment request. On 4 January 2016 the payment request was sent and it took place a day later. Between 21 December 2015 and 5 January 2016, the exchange rate had changed considerably to the detriment of [the complainant].

Following a complaint made by [the complainant], [Bank X] acknowledged the delay in processing the transfer, but believed that the applicable exchange rate was that of 23 December 2015 (the exchange rate on that date was 12.4385). This was because the written instruction from [the complainant] was received on 21 December 2015 and [Bank X] required two days to authenticate the instructions.

Therefore, [Bank X] concluded that [the complainant] would have received SEK 3,171,817.50 on 23 December 2015, so the loss would be the difference between that amount and the exchange rate provided on 5 January 2016 (SEK 13,464.00). They offered to refund this amount to [the complainant] accordingly.

However, [the complainant] thought that instead of the SEK 3,158,353.50 he received on 5 January 2016 (at that day's rate of 12.3857), he should have received SEK 3,221,160.00

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<sup>1</sup> Financial Services Ombudsman (Jersey) Law 2014 Article 16(11) and Financial Services Ombudsman (Bailiwick of Guernsey) Law 2014 Section 16(10)

(at the exchange rate of 12.632, applicable on 21 December 2015, when he considered the transfer should have been made). Therefore, the total amount [the complainant] was seeking from [Bank X] was SEK 62,806.50.

[Bank X] confirmed that due to the amount involved, they considered two days a reasonable amount of time to check the payment instruction, verify the signature and provide a call back for confirmation.

The case handler considered that the complaint should be upheld in part, and that the applicable exchange rate for the transfer was that of 23 December 2015. [The complainant] disagreed and thought that the rate available on 21 December 2015 was what he should receive from [Bank X].

## **Findings**

Having reviewed the circumstances which gave rise to this complaint, I agree with the conclusions of the case handler and think that the applicable exchange rate is that of 23 December 2015. Paragraph 4.2 of the relevant [Bank X] Terms and Conditions from December 2015 reads as follows:

*“4.2 If we receive any Payment Order or other instruction and:*

*(a) we are concerned that it may not have come from you or an authorised person, it contains incorrect information or is illegible; or*

*(b) it is for more than a limit we set for security purposes; or*

*(c) for some other reason, such as suspected fraud, we want to check the instruction with you,*

*we can ask you to confirm it in a manner reasonably acceptable to us and we will not act on it until you have confirmed it.”*

I recognise that [the complainant] provided the written instruction in an acceptable manner and this was received on 21 December 2015 but I consider that the terms and conditions above mean that it was reasonable for [Bank X] to say the transfer would have been conducted on 23 December 2015. This is because [Bank X] have clarified to CIFO that the payment was for a large amount and, although they had [the complainant's] passport by 21 December 2015, they also needed to verify the signature to confirm it was a genuine request, because the signature provided by [the complainant] on the passport was different to the one already held by [Bank X]. Therefore, I do not consider two days to be an unreasonable length of time for [Bank X] to complete their internal security checks.

However, I acknowledge the inconvenience caused to [the complainant] through the time he spent dealing with [Bank X] in what was meant to have been a straightforward transfer. Prior to [the complainant's] complaint to [Bank X], the exchange rate applied to his transfer was that of 5 January 2016 and he corresponded with the bank in order to correct the financial loss caused by this delay. Furthermore, the difficulties in providing the instruction were exacerbated by conflicting information received from [Bank X] in early December 2015 regarding the method of making the instruction and the steps

which [the complainant] needed to take to complete the transfer. Therefore, I think an additional award in recognition of the inconvenience caused to [the complainant] is merited in this instance.

### **Final decision**

My final decision is that I uphold this complaint in part.

[Bank X] should pay [the complainant] the difference in the exchange rate of 23 December 2015 to 5 January 2016 of SEK 13,464.00, together with SEK 5,025.76, equivalent to £400 as at the applicable exchange rate on 23 December 2015, for inconvenience caused in this matter. This means [the complainant] is paid by [Bank X] a total of SEK 18,489.76.

[The complainant] must confirm whether he accepts this determination either by email to [ombudsman@ci-fo.org](mailto:ombudsman@ci-fo.org), or letter to Channel Islands Financial Ombudsman, PO Box 114, Jersey, Channel Islands JE4 9QG, by **3 July 2017**. The determination will become binding on [the complainant] and [Bank X] if it is accepted by this date. If we do not receive an email or letter by the deadline, the determination is not binding. At this point [the complainant] would be free to pursue his legal rights through other means.

If there are any particular circumstances which prevent [the complainant] confirming his acceptance before the deadline of 3 July 2017, he should contact me with details. I may be able to take these into account, after inviting views from [Bank X], and in these circumstances the determination may become binding after the deadline. I will advise both parties of the status of the determination once the deadline has passed.

Please note there is no appeal against a binding determination, and neither party may begin or continue legal proceedings in respect of the subject matter of a binding determination.

Douglas Melville  
Principal Ombudsman and Chief Executive

Date: 31 May 2017