

**Ombudsman determination****CIFO Reference Number: 16-000373****Complainant: [The complainant]****Respondent: [Bank A]**

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 money transfer and associated exchange rate losses. According to [the complainant], [Bank A] used slanderous words and tone in their dealings with him and provided incorrect advice.

**Background**

In 2014, [the complainant] asked [Bank A] if he could hold Thai Baht in his [Bank A] account held in [jurisdiction 2] but conflicting responses were given to him by the bank. On 5 June 2014, an employee of [Bank A] advised [the complainant] that he could not hold Thai Baht in the account. [The complainant] issued a cheque on the same day for £480,000 from his [jurisdiction 2] account to an account he held in the United Kingdom with [Bank B]. The funds were received in [the complainant's] [Bank B] account on 23 August 2014.

On 2 October 2014, [the complainant] opened an account at a bank in Thailand.

On 23 October 2014, [Bank A] emailed [the complainant] to confirm that, contrary to previous advice, [the complainant] could indeed hold Thai Baht with them.

A transfer of £400,000 to [the complainant's] account in Thailand was subsequently made from [the complainant's] [Bank B] account on 8 January 2015.

[The complainant] complained to CIFO that, although he had received the correct information from [Bank A] that he could actually hold Thai currency in his [jurisdiction 2] account, the previous conflicting information had caused [the complainant] to transfer funds to Thailand, resulting in financial loss.

In addition, [the complainant] complained that remarks made by an employee of [Bank A] during a telephone call in August 2012 were slanderous. During the telephone call, [the complainant] says he explained that his low UK pension was supported financially by his Thai business family. [The complainant] says that in response, the employee repeated the

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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)

words “Thai business family” in what [the complainant] considered to be a decidedly sarcastic tone.

As a fair and reasonable resolution to the complaint, [the complainant] sought compensation for exchange rate losses incurred and alleged slander.

The case handler upheld the complaint in part and awarded [the complainant] £500 for the incorrect advice given by [Bank A].

### **Subsequent submissions**

[The complainant] did not agree with the case handler’s conclusions. In an email to CIFO dated 25 July 2017, [the complainant] reiterated his view that the losses were a direct result of the incorrect advice given by [Bank A] and that no exchange rate losses would have occurred if he had been given the correct advice initially.

### **Findings**

I have considered the information provided by both [the complainant] and [Bank A] in order to determine what is fair and reasonable in the circumstances of the complaint.

#### *Alleged slander*

As set out by the case handler, [Bank A] have confirmed to CIFO that they do not have a record of the telephone conversation [the complainant] held with their member of staff. Furthermore, [Bank A] have confirmed that the employee involved no longer works at the bank.

I acknowledge that [the complainant] considered the ex-employee’s tone to be sarcastic but, given that this was a private telephone call between two individuals which was not heard by a third party or recorded, I cannot conclude whether the ex-employee of [Bank A] had been slanderous. In any event, [Bank A] apologised to [the complainant] previously for any distress caused and as a result I do not consider the bank has acted unreasonably.

#### *Exchange rate loss*

[Bank A] has acknowledged that [the complainant] was given incorrect information in June 2014 about the inability to hold Thai Baht in his [jurisdiction 2] bank account. The bank offered to make a payment to [the complainant] of £500 in recognition of this error.

[The complainant] transferred funds to his bank account in Thailand from his [Bank B] account on 8 January 2015, approximately ten weeks after the 23 October 2014 date when [Bank A] informed [the complainant] correctly that they could hold Thai Baht in a [jurisdiction 2] account.

I am of the view that [the complainant] could have mitigated the subsequent exchange rate loss if he had made the transfer between 24 October 2014 and 7 January 2015. Alternatively, [the complainant] could have transferred the funds back to his [Bank B] GBP [jurisdiction 2] account.

I do not agree with [the complainant] that the previously conflicting information given by [Bank A] was responsible for causing an exchange rate loss. [Bank A] provided [the complainant] with correct information on 23 October 2014, and the transfer of funds later took place on 8 January 2015, at a time of [the complainant's] choosing. Given that [the complainant] did not transfer the money for approximately ten weeks, I cannot say with any certainty that [the complainant] would have transferred the funds immediately in June 2014.

#### *Complaint handling process conducted by [Bank A]*

It appears that the bank has sought to confirm the amount lost as part of their complaint-handling process. I acknowledge that [the complainant] provided [Bank A] with details on 31 July 2015 about the exchange rate applied when [the complainant] converted UK Pound Sterling to Thai Baht.

In an email later that same day, [Bank A] erroneously told [the complainant] that this would be their last question in the complaint-handling process; however, on 6 August 2015, the bank asked for details about the amount transferred to [the complainant's] Thai account and for proof of this. Following further email correspondence, [the complainant] submitted this information to the bank.

I acknowledge the inconvenience caused to [the complainant] by this further, unanticipated correspondence, but I am of the view that [Bank A] did not act unreasonably by asking for a statement showing the amount transferred in order to prove the loss claimed by [the complainant].

Nonetheless, I recognise that [Bank A] has admitted its initial advice to [the complainant] about holding Thai Baht in his [jurisdiction 2] account was incorrect and the bank has offered [the complainant] £500 in compensation. In the circumstances, I consider this to be a fair and reasonable amount of compensation for the incorrect advice given in 2014 and the subsequent communications required to resolve the complaint.

#### **Final decision**

My final decision is that I uphold this complaint in part. [Bank A] should pay [the complainant] £500 for inconvenience caused by the incorrect advice provided in June 2014. I reach no conclusion in relation to the alleged slander.

[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 **29 September 2017**. The determination will become binding on [the complainant] and [Bank A] 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 29 September 2017, he should contact me with details. I may be able to take these into account, after inviting views from [Bank A], 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: 29<sup>th</sup> August 2017