

Ombudsman decision

CIFO Reference Number: 15-000008

Complainant: [Mr H]

Respondent: [Bank Y]

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.¹

The complaint relates to the transfer of the closing balance of [Mr H's] account held with [Bank Y].

Background

On 7th May 2015 [Mr H] requested a transfer of the closing balance of his account. The funds would be converted into US Dollars prior to the transfer.

The transfer was not completed until 3rd June 2015, a period of 27 days. [The bank] acknowledged that in line with their expected service levels the transfer should have been completed by 15th May 2015. There was therefore a delay of 19 days.

A complaint was raised by [Mr H] on 5th June 2015 regarding this delay. Following an investigation, it was found that [Mr H] had received an exchange rate of 1.511 when the balance was transferred on 3rd June 2015.

Had the balance been transferred on 15th May 2015, he would have benefitted from a rate of 1.5516.

When applied to [Mr H's] closing balance of £53,952.49, the rate of 1.511 gave a value of \$81,522.21. If the transfer had been completed on 15th May 2015 when the rate was 1.5516, the value would have been \$83,712.68. [Mr H] therefore suffered a loss of \$2190.47.

[Bank Y] offered to reimburse this loss, with an additional payment of £100 as compensation for the delay.

[Mr H] did not accept. Before the complaint was referred to our office [Bank Y] increased their offer of an additional payment to £250, which was again declined.

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

[Mr H] requested 2% of the balance transfer to settle the complaint. The bank did not agree to this amount, and the complaint was brought to CIFO for review.

The case handler did not uphold the complaint. It was concluded that, under the circumstances, [Bank Y's] offer to fully reimburse the loss and offer additional payment was reasonable compensation in this matter.

[Mr H] did not agree with the case handler's conclusions and the complaint was referred to me for a final decision.

Findings

I have considered the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint.

I have taken note of further representations made by each party following the case handler's initial conclusions.

I agree with the view of the case handler that our primary purpose is to place [Mr H] back in the position they would have been in but for the error made by the bank.

The quantifiable loss in this instance has already been addressed by [Bank Y], and I am satisfied that their offer of \$2,190.47 would place [Mr H] back in the position he would have been in had the bank processed the transfer instruction in a timely manner.

I appreciate that [Mr H] would have been inconvenienced by the lack of access to his funds and his subsequent attempts to resolve the complaint. However, I am not satisfied that the requested penalty of 2%, which was increased to 5% upon referral of his complaint to our office, was reasonable.

I am therefore not satisfied that a compensatory award higher than the £250 already offered by [the bank] is warranted.

Decision

My final decision is that [Bank Y] should pay [Mr H] \$2,190.47 for his foreign exchange losses and £250 compensation for the delay, as they have previously agreed.

Next steps for the complainant, [Mr H]

You must confirm whether you accept this determination either by email to ombudsman@ci-fo.org, or letter to Channel Islands Financial Ombudsman, PO Box 114, Jersey, Channel Islands JE4 9QG, by **17th June 2016**. The determination will become binding on you and [Bank Y] if it is accepted by this date. If we do not receive your email or letter by the deadline, the determination is not binding. At this point you would be free to pursue your legal rights through other means.

If there are any particular circumstances which prevent you confirming your acceptance before the deadline of 17th June 2016, please contact me with details. I may be able to take these into account, after inviting views from [Bank Y], and in these circumstances the determination may become binding after the deadline. I will advise you and the bank 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