



Case study: Banking

BANK'S INABILITY TO INVESTIGATE MISSING OVERSEAS TRANSFER LEADS TO COMPLAINANT'S DISTRESS

Themes: International transfer; SWIFT message; effect of complaint settlement; distress and inconvenience.

This complaint relates to a bank's inability to provide clear and consistent information when a complainant's international transfer was not completed successfully.

In March 2022, Mr X, an overseas resident, requested a transfer from a local bank to his overseas bank. Mr X provided bank account details to the local bank, but the transfer did not arrive at his overseas bank account. Mr X repeatedly contacted the local bank; they were unable to explain what had happened to the funds but asked Mr X to send a test payment which successfully arrived at its destination. Mr X's local bank provided daily updates and eventually confirmed the issue was due to a missing SWIFT (global messaging network used by financial institutions) message that the recipient overseas bank could not locate.

In April 2022, the payment was returned, and Mr X made a complaint to his local bank as he believed they had not given him honest or accurate information. Mr X's local bank recognised they had not provided adequate information about the issue behind the failed transfer and offered Mr X £1,500 for the distress and inconvenience they had caused. Mr X accepted this offer but, remaining unhappy, he referred his complaint to CIFO.

The local bank said that CIFO should not consider the complaint because Mr X had accepted the settlement offered by his local bank. CIFO said it merited further investigation to ensure the settlement covered all aspects of Mr X's complaint. After further investigation The CIFO adjudicator concluded that Mr X had agreed to the settlement, which she thought was reasonable. Mr X did not accept this and a CIFO ombudsman reviewed the complaint.

The ombudsman concluded that Mr X had agreed to accept £1,500 in full and final settlement of his complaint and that the bank had made the payment in line with the agreement. CIFO also concluded that Mr X had understood the implications of the settlement and that he had not been tricked or coerced into it. The ombudsman did not therefore need to comment further on the terms of the settlement. As the parties had freely agreed between themselves as to how the complaint should be resolved, it would not be appropriate for CIFO to impose a different resolution on them. CIFO did not uphold the complaint.