

## The complaint

Mr M complains that HSBC UK Bank Plc (trading as first direct) added charges to his credit card when he used it to buy foreign currency.

## What happened

Mr M says that, historically, he has called first direct to buy his foreign currency but was advised he needed to carry out the transaction on the website this time. He says that, when he did so, he inadvertently used his credit card rather than his debit card and incurred charges as a result. Mr M says that this would never have happened had he been allowed to carry out the transaction by phone. He adds that he also received incorrect information about making an over-payment.

first direct explained the account charges and said it was unable to evidence any bank error.

Our investigator did not recommend the complaint should be upheld. He was satisfied that the charges had been correctly applied and that Mr M was not given any incorrect information.

Mr M responded to say, in summary, that he disagreed with the investigator's view. In particular, he maintains that he was incorrectly told an over-payment was not allowed and that a warning should be provided about charges associated with using a credit card.

## 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.

### Charges applied

Mr M, by his own admission, mistakenly used his credit card, instead of his debit card, to purchase foreign currency online. Although I sympathise with his frustration at not being able to make the purchase on the phone, as he had done previously, I can't conclude that first direct made an error and I'm satisfied that the charges were applied in line with the terms and conditions of the account.

### Warning about Credit Card Charges

first direct has provided the following from its online system:

- In its Travel Money section, under "Fees", it says:
  - *"the service is free unless you use a credit card."*

- And, on the order page, within the Payment details at checkout, Mr M would have seen the following:
  - *“...your card issuer may apply additional charges and we recommend you check this with them before you buy your travel money. Any fee applied by your card issuer will not appear on your travel money order, but will appear on your card statement.”*

So, whilst I accept that Mr M did not intend to use his credit card for the purchase, I can't agree that there were no warnings about the potential charges as a result of doing so.

### Misinformation

Finally, I have considered whether Mr M was given incorrect information about whether or not he could make an over-payment to minimise any interest charges. I have listened to all the relevant calls and found that the relevant discussion was with an employee in Customer Relations. When Mr M raised the possibility of putting his credit card into credit, she said *“I'm not sure that we can put your credit card into credit”*. Mr M responded, *“yes, you can”*, to which the reply was *“Not that I'm aware of. I'd need to speak to someone in another department to see if that's feasible”*. Given that the employee had already said, earlier in the call, that she wasn't a specialist in credit cards, I find her response was reasonable.

So, whilst I understand why Mr M felt that he was given incorrect information, that wasn't actually the case and I note that Mr M's credit card did, in fact, end up with a credit balance.

In summary, I don't find that first direct did anything wrong and I don't consider it needs to do anything further with respect to Mr M's complaint.

### **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 Mr M to accept or reject my decision before 31 October 2023.

Amanda Williams  
**Ombudsman**