

## **The complaint**

Miss V complains that Bank of Scotland plc trading as Halifax gave her misleading information about its foreign exchange fees.

## **What happened**

Miss V says she spoke to Halifax in January 2023 about its charges for a foreign transaction into her account. She says she was told there was a fee of £7 but was not told about Halifax's foreign exchange margin fee. Miss V says she proceeded with the transaction but says she lost about £2,850 due to Halifax's fee. She would like that fee refunded and £1,000 compensation for the stress and inconvenience she has been caused. Miss V says she would have used a different business if given correct information.

Halifax agreed it didn't deal with parts of Miss V's complaint appropriately and says it has paid £130 compensation. It says it told Miss V each bank has its own exchange rate which would be known at the time of the transaction. It says the margin it uses is not a charge that it needs to tell customers about.

Miss V brought her complaint to us, and our investigator didn't uphold the complaint. The investigator thought Halifax had told Miss V its fee and that it uses its own exchange rate. The investigator thought the compensation appropriate for the poor service.

Miss V doesn't accept that view and says Halifax led her to believe it would be using the bank exchange rate at the time. She maintains she was misled and says the call recording provides evidence of that.

## **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.

Having done so I have come to the overall view that I don't uphold this complaint. I appreciate Miss V will be disappointed by my decision.

I have listened carefully to the telephone call between the parties on 27 January 2023. And I'm satisfied that Miss V was clearly told she could not be advised on the methods of proceeding with the transaction. It follows that I find that Miss V decided to proceed with the transaction without advice from Halifax and that it was her decision to transfer the currency into her Halifax account.

I'm satisfied that Miss V was clearly told the exact exchange rate would not be known until the transaction time and date. I think such information is common sense as currency rates will continually vary. I'm also satisfied Miss V was told that Halifax would convert the currency at the bank rate and that all banks have their own exchange rates. So, I think Miss V was told and ought reasonably to have realised that Halifax would use its own exchange rate to calculate the currency conversion and can't see why there would be any confusion as it made clear all banks have their own rates. During the call I'm satisfied that Halifax again

made that point clear by telling Miss V its banking group used the same exchange rate which fluctuates.

The key part of the complaint is the charge. I'm satisfied that Miss V was told the charge was £7. I appreciate Miss V says that the difference between the exchange rate used by Halifax and the published headline exchange rate of the day (the margin) is an additional charge. But I disagree with Miss V. I'm satisfied Halifax made clear it uses its own exchange rate as does every bank and that "margin" is not a charge but simply the difference in a published rate and a bank's own rate. It follows that I don't think Miss V was given misleading information and was not charged an additional fee.

I appreciate Miss V says she could have received a more beneficial exchange rate using a different provider. I can't fairly comment on that but have made clear that I find it was Miss V's choice to pay the money into her Halifax account. I also don't think Miss V has explained why she didn't check at the point of authorising the transaction what Halifax's exchange rate was which would have allowed her to decide if she wished to proceed. I have also made clear that I think Halifax had previously told Miss V that the exact rate would be available at that time and that crucially it used its own rate.

There is no question that Halifax didn't deal appropriately with parts of this complaint. I don't think Halifax's final response letter was a true representation of its position as the letter suggested it had given Miss V incorrect information about a fee. But I'm satisfied the compensation offer fair and reasonable for that part of the complaint which I accept is not the main part.

Overall, I'm satisfied Halifax provided Miss V with correct information which was not misleading. I think all banks and building societies use their own exchange rates which can be confirmed at the point of the transaction which will vary from published official rates. Those differences are not fees but the rates a business uses which I find Miss V could have checked at the transaction point. It follows that I can't fairly order Halifax pay Miss V the compensation she would like.

### **My final decision**

My final decision is that I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Miss V to accept or reject my decision before 12 October 2023.

David Singh  
**Ombudsman**