

The complaint

Mrs C complains that, when she made withdrawals from an ATM abroad, Santander UK Plc was responsible for her being charged a markup on each transaction, when she had understood that all such withdrawals were not subject to any fees or charges.

What happened

In March 2023, whilst abroad Mrs C withdrew cash from a local ATM on several successive days. I understand that she made eight withdrawals in total. Subsequently she noticed on her receipts that she'd been charged an 8.5% markup on each withdrawal, which amounted to a considerable sum.

Mrs C complained to Santander. It said that, having investigated this matter, the eight ATM cash withdrawals made in March 2023, (as detailed on her statement), were not requested in the local currency. It said that as the withdrawals of cash were not requested in the local currency, the ATM provider charged a fee for using their cash machine. This accounted for the markup. Santander said it had not made an error.

I understand that Mr C (for himself and Mrs C) contacted the local branch of Santander where the ATM was situated, and that he received a reply from it which said that neither it nor the ATM owner had charged a fee and that the markup was likely to have been charged by the card provider. Mrs C feels the only way to resolve this is to contact the said local branch of Santander, to find out why they were charged in March 2023 when they touched the local currency button and not in June when the card worked fully automatically.

On referral to the Financial Ombudsman Service, our Investigator said there was no evidence that Santander UK had made a mistake here. Mrs C is responsible for her use of the ATM. And that Santander UK hadn't profited from any fees, charges or markups placed on the transactions she made in March 2023.

The matter has been referred to me for further consideration.

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.

I don't think that Santander UK profited from the markup. Santander UK says that the local branch likely did profit from the markup, although that branch denies that. Mrs C's ATM receipts clearly show an 8.5% markup. Santander says that Mrs C selected the "own currency" option. I also think it's likely that, when carrying out the transactions, Mrs C would have been presented with a screen asking her whether she accepted the charge. But as Mrs C didn't complain about it until after she'd completed all the withdrawals she's complaining about, there are no screenshots available as to what would have been shown when Mrs C made the withdrawals.

I appreciate that Mrs C says that she did opt to pay in local currency, so she shouldn't have

been charged any fees for using the ATM. Santander's terms and conditions say that it is often cheaper to pay in local currency and that if pounds sterling is selected there will be an exchange rate and a possible fee charged. The local Santander branch said that neither it nor the ATM owner charged that fee but speculated that the fee may have been charged by the card provider. And as it referred Mr C back to Santander UK, I can't see that there would be any point in contacting it again.

Mrs C says they weren't charged before. This may have something to do with the fact that their card provider had changed so there may have been a different process but I realise that that's just speculation. Whilst the card may be upgraded from time to time, Santander has advised that there was no error with the card that needed correcting. I think that the most likely explanation is that Mrs C charged her withdrawals to her own rather than local currency and as a result the ATM owner charged a fee for exchanging the currency.

As I'm persuaded that there was no error on Santander's part and that it did not profit from any fee charged, I don't think that it was at fault here.

My final decision

I don't uphold the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs C to accept or reject my decision before 8 January 2024.

Ray Lawley
Ombudsman