

## **The complaint**

Mrs and Mr T complain that TSB Bank plc gave them incorrect information regarding charges associated with converting a transfer sent in Euros (EUR) to them.

## **What happened**

Mrs and Mr T wanted to transfer 300,000EUR to their TSB account on the understanding there would be no handling percentage for TSB converting EUR to Pounds Sterling (GBP). They say that the various call handlers Mr T spoke to seemed unaware of the charges relating to these types of large transfers. Mr T says that when he pressed for details, they told him that only the going rate of exchange plus a £7 fee would apply. He says they were adamant the actual exchange rate would be the one currently available and they never advised their fixed in house rate would carry a fee of near 5%. Mrs and Mr T say that they had two alternative means to transfer the funds which would have cost a fifth of what they ended up being charged, but they used TSB based on the information the call handlers told Mr T. But this resulted in him receiving £11,019 less than what he expected. He says he incurred an extra £38 worth of charges on his phone bill by speaking to TSB.

Mrs and Mr T made a complaint to TSB. But they did not uphold their complaint, so Mrs and Mr T brought their complaint to our service. Our investigator partially upheld Mrs and Mr T's complaint. He said calls to the number Mr T rang were charged at a local rate, so if Mrs and Mr T were unhappy with call charges which were in excess of this, they'd need to refer this matter to their mobile phone provider as it's not TSB Bank who applied the charge. He said from the calls he'd listened to prior to the transfer, TSB hadn't advised Mr T to send the payment in EUR or GBP or advised him they'd use the exchange rate that he assumed. He said at no point had Mr T directly requested TSB's exchange rate during these calls.

Our investigator said that there was an opportunity for TSB on 15 November 2022 to explain to Mr T that if he sent the payment in EUR then TSB would apply their own rate but if it was sent in GBP it would be the sending bank who would apply the exchange rate. He said there was also an opportunity to pass Mr T to their international department to explain how the payment would be applied. Our investigator said as the experts they could have interpreted that Mr T may have benefited from telling him the exchange rate would depend on the day and the currency used, so he said TSB should compensate Mrs and Mr T with £150 for distress and inconvenience.

Mrs and Mr T said the compensation suggested was meagre compared to the thousands they had lost due to the call handlers ability to answer simple questions. Mr T said he was advised the service was free and he couldn't understand how they interpreted his query about costs and that they believed no percentage charge would be added.

TSB asked for an ombudsman to review the complaint. They made a number of points. In summary, they said their call handler tried to discuss the exchange rates which would be used, but Mr T advised he was not concerned with the exchange rate, and only wanted to discuss charges and therefore our investigator appeared to be suggesting that they should have ignored Mr T's statement that he was not concerned about the exchange rate and that they should have forced him to listen to information about this when it was not requested.

They said they cannot advise what the exchange rate is on an incoming payment. This is because the rate they use to convert an incoming payment will depend on when the payment is received, and they wouldn't know when the payment would arrive with them until it actually arrived.

As my findings differed in some respects from our investigator's, I issued a provisional decision to give both parties the opportunity to consider things further. This is set out below:

*"I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.*

*Both parties have made a number of points to this service and I've considered and read everything they've said and sent us. But, in line with this service's role as a quick and informal body I'll be focusing on the crux of this complaint in deciding what's fair and reasonable here.*

*As the funds were sent in EUR, then the receiving bank (in this instance TSB) would need to convert the funds into GBP which is the currency the receiving account operated in. This is explained on in TSB's terms and conditions, which Mrs and Mr T would've needed to agree to. The terms and conditions are clear that "We'll convert the currency into pounds using our standard exchange rate on the day we make the conversion. You can find out our exchange rates by calling us or asking in branch." So here, I'm satisfied that TSB made it clear they would use their standard exchange rate and not any other exchange rate which Mrs and Mr T may be able to find online or in the press. The TSB exchange rate would not be considered to be a fee or a charge. This is why this is not within the TSB banking charges guide.*

*So I've listened to the available calls to determine if Mr T was given incorrect information or misled by TSB before he initiated the transfer with the sending bank. These calls were on 14 and 15 November 2022. On the first call, Mr T asked about the costs involved and said the funds would be sent in EUR. The call handler tells Mr T that she is going to pass him through to their international transfers department as they could help him more than she could. Unfortunately, TSB do not have a recording of the call with the international transfers team so I'm unable to say what was discussed on this call, or if he was successfully transferred to the team. But I have listened to a call which Mr T had with TSB the following day (15 November 2022).*

*Mr T asks if he should make the transfer in EUR or GBP and the call handler says it depends on what the sending banks exchange rate is. Mr T says he's more worried about the charges for the transfer as he was worried about a percentage charge. But the call handler says the only fee they would charge is a £7 fee for international payments. He says they don't have a certain percentage reduction as it's not something they do and for incoming payments they only have one charge. Mr T says "I'm not worried about that, I'm more worried about charges".*

*The call handler said the only charge would be the £7 fee, but the reality is, based on what TSB's banking charges guide shows, a Single Euro Payments Area (SEPA) payment to a TSB account or any other payment received in Euro's would not have a charge. The £7 only applied if they received any other payment over £100. But I'm not persuaded that this had an impact on what happened by quoting the most they could be charged.*

*I'm satisfied that TSB acted within their terms and conditions "We'll convert the currency into pounds using our standard exchange rate on the day we make the conversion. You can find out our exchange rates by calling us or asking in branch". But Mrs and Mr T didn't ask TSB what their exchange rate was or an indication of what it was on any call that I listened*

to, but Mr T did indicate that he wasn't worried about the exchange rate. So I'm not persuaded they were told incorrect information/misled about TSB's exchange rate.

*The letter dated 28 November 2022 which TSB sent to Mrs and Mr T confirming the incoming payment shows that there was no commission charged for the transfer. And it shows 150EUR in charges from a corresponding bank. This is something I would expect the sending bank to make Mrs and Mr T aware of, and I wouldn't expect TSB to be aware of any correspondent bank charges, as the sending bank would be responsible for routing the money to them.*

*I've also considered what Mrs and Mr T have said about call costs to TSB. But Mr T chose to call TSB, so it would not be proportionate for me to ask TSB to pay for their calls, especially when there may have been cheaper alternatives, such as visiting a local branch and they could ring through on their behalf if they were unable to answer Mrs and Mr T's questions. And it would be outside of TSB's control how much Mrs and Mr T's phone provider charged them. So it follows I don't intend to ask TSB to do anything further."*

I invited both parties to let me have any further submissions before I reached a final decision. TSB said they had no further comments to make. Mrs and Mr T did not accept the provisional decision. They made a number of points. In summary, they said TSB's staff were repeatedly asked to confirm that there was no commission, charges, or fees with their exchange of EUR to GBP. They also asked the same question in the branch and the branch manager was consulted and Mrs and Mr T were again told what they were told on the phone. Mrs and Mr T said that at no time did they see or sign a document showing the rate of exchange and the commission involved as they could have transferred the funds at 1.5% commission with a third party instead.

### **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've considered what Mrs and Mr T have said about what they were told on the phone and in branch. But there was no commission that TSB charged on the transfer. As I said in my provisional decision "*The letter dated 28 November 2022 which TSB sent to Mrs and Mr T confirming the incoming payment shows that there was no commission charged for the transfer.*" I also said in my provisional decision that "*And it (the letter that was sent to them) shows 150EUR in charges from a corresponding bank. This is something I would expect the sending bank to make Mrs and Mr T aware of, and I wouldn't expect TSB to be aware of any correspondent bank charges, as the sending bank would be responsible for routing the money to them.*" So this was not a fee that TSB charged Mrs and Mr T.

I've considered what Mrs and Mr T have said about at no time did they see or sign a document showing the rate of exchange and the commission involved. But this is because they initiated the transfer with their overseas bank. So there would be no requirement for TSB to ask them to sign a document to accept the rate of exchange and any commission involved (although there was no commission here as confirmed by the letter TSB sent them dated 28 November 2022).

As I said in my provisional decision "*As the funds were sent in EUR, then the receiving bank (in this instance TSB) would need to convert the funds into GBP which is the currency the receiving account operated in. This is explained on in TSB's terms and conditions, which Mrs and Mr T would've needed to agree to. The terms and conditions are clear that "We'll convert the currency into pounds using our standard exchange rate on the day we make the conversion. You can find out our exchange rates by calling us or asking in branch."*

*So here, I'm satisfied that TSB made it clear they would use their standard exchange rate and not any other exchange rate which Mrs and Mr T may be able to find online or in the press. The TSB exchange rate would not be considered to be a fee or a charge. This is why this is not within the TSB banking charges guide.*" That is what happened here. TSB acted in line with their terms and conditions and applied their standard exchange rate on the day they made the conversion.

Mrs and Mr T did not ask TSB from the calls I've listened to (or any evidence that either party have provided me) for the exchange rate that TSB would use to make such conversions from EUR to GBP. If they had done so, in line with the terms and conditions *"You can find out our exchange rates by calling us or asking in branch."* then they may have had an indication of what exchange rate TSB were using at the time, and they could have compared this with other providers to see if another company had a more preferential exchange rate that they applied. But the call handlers did proportionately answer the questions Mr T asked them on the phone. So I can't say they made any errors with what they told Mr T that would change the outcome of this complaint.

In summary, Mrs and Mr T's response hasn't changed my view and my final decision and reasoning remains the same as in my provisional decision. I know Mrs and Mr T will be disappointed, but I hope they understand my reasons.

### **My final decision**

I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs T and Mr T to accept or reject my decision before 18 August 2023.

Gregory Sloanes  
**Ombudsman**