

The complaint

Mr N complains about what happened when he exchanged money through Revolut Ltd. He said an extra charge was added to the exchange rate, and the rate used didn't reflect the historical rate that Revolut's app now shows him.

What happened

Mr N exchanged some money through Revolut. He said the exchange rate shown in the app was 1 to 319.8318, but what he got was 1 to 323.8542, so he didn't get nearly as much currency as he should've. He said this cost him about €38. Mr N asked Revolut to correct its mistake on the exchange rate, but it refused.

Mr N sent us screenshots of the historical exchange rate on the day of the transaction, and of the transaction itself. He wanted Revolut to refund what he'd lost, and to make sure that a clear exchange rate showed before the transaction was done.

Revolut said that it didn't think there was a discrepancy between the historical rate and the rate it had used. It said that Mr N had exchanged money on the weekend, when it does apply a 1% mark up, because less currency is being traded then.

When Mr N complained, Revolut told us that the historical exchange rate that Mr N can see in the app isn't the exact rate that was used. It uses an external partner to provide historical rates, rather than recording the rates it used at the time.

But Revolut still didn't say that it had made a mistake. It had used the market rate from close on Friday, and had applied the weekend uplift, because the transaction was before midnight on Sunday. It said that the closing rate was 320.75, and once the weekend uplift was applied, this gave roughly the rate used for Mr N's transaction.

Our investigator didn't think this complaint should be upheld. He said Revolut had shown him evidence that supported the rate it had used, including the historical rate for the Friday before the transaction, which is the one its terms say will apply over the weekend. And its terms provide for applying a percentage charge to any exchanges which are done over a weekend when the currency markets are closed. He thought the exchange rate Mr N got was in line with this information.

Our investigator appreciated Mr N's concern about the historical exchange rate tables not being entirely accurate, but he didn't think this had affected Mr N's decision to make this transaction at the time. And he thought that the exchange rate was clearly shown for Mr N before he made the transaction. So he didn't think Revolut had to do anything.

Mr N didn't agree. He said that Revolut didn't have any clear terms and conditions available on its website now, and it was worse six months ago. And he thought Revolut didn't apply any uplift on weekdays, so he'd waited until after midnight on Sunday to make the exchange.

The transaction was done first thing Monday morning, local time. But Mr N was outside of the UK, and he had forgotten that Revolut uses UK time.

Mr N said it wasn't acceptable for Revolut to use a third party app to provide historical rates, when it didn't use those actual rates for its transactions. He also said advertisements claimed that Revolut was free with no hidden fees, which wasn't true. He thought Revolut should show a summary of the details and rates, fees for the transaction and then ask for approval before it executes a transaction. He said none of this was available at the time that he changed this money. Revolut just executed his transaction with an unknown rate. He wanted our investigator to reconsider.

Our investigator didn't change his mind, but he said an ombudsman could review this case if Mr N wanted. Mr N asked for that, so this case was passed to me for a final decision.

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.

Mr N says he wasn't told what exchange rate would be used before he made his transaction. Revolut has shown us screenshots of the page it uses for exchange transactions. It says this is designed so users can make their transactions quickly, so there's no box to tick to accept terms and conditions. But I note that the relevant exchange rate is shown prominently on the screen, before the customer accepts the transaction. So I do think Mr N was advised of the rate he would get. I don't think that Revolut had to display more than this as part of the transaction Mr N did.

Mr N also said that Revolut hasn't done enough to bring the terms of the account to his attention. But he also says that he knew that there was an extra charge on the weekends, so I think he was aware of the important term which affected this transaction.

Mr N further complains that Revolut's advertising is misleading. But again, I think Mr N was aware that there was an extra charge for exchange transactions on a weekend, so I don't think he was misled in this case.

Mr N says Revolut shows a historical rate which it never actually applied. I understand Mr N's concerns that this should be accurate. But I don't think the historical rate that Revolut shows now affected Mr N's decision to make the transaction he complains about now, so I don't think I'm able to use this evidence to support Mr N's current complaint.

For the reasons I've set out, I don't think that Revolut did anything wrong when it made this transaction for Mr N. So, although I know Mr N will be disappointed, I don't think this complaint should be upheld.

My final decision

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr N to accept or reject my decision before 24 June 2020.

Esther Absalom-Gough
Ombudsman