

The complaint

Mr P says he was given incorrect information by TSB Bank plc about its exchange rate.

What happened

Mr P says he was sent 61,000 Euros to his TSB account. He says TSB told him the exchange rate would be the Bank of England rate on the day. But he says he received about £1,500 less than he ought to have as TSB used its own exchange rate. Mr P would like TSB to repay the difference and says it confirmed the exchange rate information in an online conversation.

TSB says it uses its own internal exchange rate and says it makes that information clear in the account terms and conditions. It says it has no record of an online conversation

Mr P brought his complaint to us, and our investigator didn't uphold it and thought TSB had acted in line with account terms and conditions.

Mr P didn't accept that view and pointed out he had provided a copy of the online conversation.

The investigator re-considered his view and came to the eventual conclusion that TSB should pay £75 for the misleading information.

TSB says it will pay that compensation but says the information Mr P has provided about other providers exchange rates is misleading.

Mr P maintains that TSB should pay further compensation for what took place and says he could have used other providers to carry out the exchange.

My provisional decision

I issued a provisional decision on this complaint and said as follows.

I thought it was impossible to be sure what the exact exchange rate Mr P could have received if a different provider had been used and what if any additional costs would have been applied. But my provisional view was that the recommended compensation didn't fairly reflect what took place here and the inconvenience Mr P was caused.

I didn't think there was any dispute that Mr P's account terms and conditions made clear that TSB will use its own internal exchange rate on the day of a currency exchange. I also thought that is standard practice and that it's impossible to say what those rates would be until the transfer was made. So, I thought Mr P ought to have either been aware of TSB's policy on exchange rates or checked the account terms and conditions.

I looked carefully at the online conversation between Mr P and TSB. I didn't think it clear why TSB disputed that conversation took place or couldn't find a copy of it initially. I could see that TSB correctly told Mr P that it couldn't provide an estimate of the currency exchange

due to the fact such exchange rates are constantly changing. But I didn't think TSB then gave clear information to Mr P and ought to have told him it used its own exchange rate calculated at the time of the transaction.

I accepted the conversation was misleading and thought it likely that TSB meant it bases its standard exchange rate on the Bank of England rate. I also accepted that Mr P concluded that TSB would use the Bank of England rate which in reality no business would actually use. But I also thought it likely that the sender of the money would have been provided with the transaction details including the exchange rate and could have decided not to proceed with it. I said it follows that I couldn't fairly order TSB pay Mr P the difference between its rate and the published Bank of England rate as that rate would not be available to a consumer or business.

I looked at the exchange rate information Mr P provided but I couldn't be sure that the sender would have used a different provider in circumstances where I made clear the sender would have been given the transaction details including the exchange rate. I also thought it likely that exchange rate calculations can vary due to a variety of factors and a provider may use for example a more preferable rate but apply an increased cost as I could see in one of the examples provided here. So, I couldn't be sure what alternative rate Mr P could have received and thought such a calculation in the circumstances was impossible to accurately carry out.

I was satisfied that Mr P received misleading information from TSB that caused distress and inconvenience and generated significant correspondence as a result. I didn't think £75 compensation was appropriate and made clear that Mr P was caused additional inconvenience in retrieving the online conversation TSB said initially it couldn't find. I was satisfied that TSB should pay £250 compensation which I thought is fair and reasonable. I thought that award fairly reflects the length of time matters went on for and what I thought was the fairly significant inconvenience of checking information and calculations which I thought TSB wanted information about.

Both TSB and Mr P accept my provisional view.

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 same overall decision I reached in my provisional view and for the same reasons.

Putting things right

TSB should pay £250 compensation and Mr P's acceptance of this decision would be in full and final settlement of this complaint.

My final decision

My final decision is that I uphold this complaint in part and order TSB Bank plc to pay Mr P £250 compensation.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr P to accept or reject my decision before 25 April 2023.

David Singh
Ombudsman