

The complaint

Ms O complains about the exchange rate she received from Key Currency Limited when converting a large amount of money from EUR to GBP.

What happened

In late November 2023, Ms O transferred the proceeds of her house sale in EUR to Key Currency. She required the funds, which are her life savings, to be kept on a Key Currency account until the best possible foreign exchange rate would enable her to make a GBP transfer.

On 8 May 2024, Ms O spoke to a Key Currency trader who had contacted her about transferring her balance of EUR 612,072.70 to GBP. A discussion took place in the late afternoon about the current GBP conversion amount of £506,179.87, the financial market, potential foreign exchange rate fluctuations and whether it was the right time for Ms O to complete the transfer. Ms O did a comparison check and instructed the Key Currency trader to complete the transfer.

Soon after, Ms O undertook further comparison checks. Upon doing so, she became distressed as, from the exchange rate information she received, she felt she should've received between £15,000 to £20,000 more. So, in the early hours of 9 May 2024 she contacted Key Currency wanting information on their commission. When Ms O spoke to the same trader around 0900 on 9 May 2024, she requested the transaction be cancelled but was told this wasn't possible.

Ms O felt she had been treated unfairly and complained to Key Currency, but they couldn't see they'd done anything wrong. Despite this, Key Currency offered Ms O £2,204.57 as a goodwill gesture. But Ms O refused this and escalated her complaint to our service looking for around £15,000 compensation.

Our investigator couldn't see that Key Currency had done anything wrong and, as she thought their goodwill offer was fair, she said *'If on reflection Ms O would like to accept this, she can confirm this with me, and I can ask Key Currency to process the compensation for her'*.

However, as Ms O remains dissatisfied her complaint has been referred to me to look at.

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, although I have empathy with Ms O, I'm not upholding this complaint and I'll explain why.

Although I've read and considered everything Ms O has said, I won't be responding to every point individually. If I don't comment on any specific point, it's not because I've not

considered it but because I don't think I need to comment on it in order to reach the right outcome.

I should first explain that we aren't the regulator for financial services and can't instruct a business to alter its policies or procedures. Also, businesses are entitled to assess commercial risks and make commercial decisions.

From listening to the call Ms O had with the Key Currency trader on 8 May 2024, I'm satisfied that:

- The Key Currency trader followed the Key Currency procedure and clearly communicated that:
 - He wasn't a financial advisor and therefore any market information or opinions he provided were *'general in nature and not to be construed as personal financial advice'*.
 - Ms O would *'be entering a legally binding contract in accordance with our normal terms and conditions'* and that *'following your permission'* and *'on your instruction'* he *'will go to market and sell EURO's 612,072.70 to achieve GBP £506,179.87'*
- Ms O wanted to go ahead and agreed to the above

I found that prior to this, Ms O made a check with a Key Currency competitor and said the exchange rate offered by Key Currency was better. Also, in line with the Key Currency procedure, after the trade was confirmed, Ms O received a trade confirmation which stated the base currency amount, exchange rate achieved and the exchanged currency amount.

It was only after Ms O had completed the transaction and agreed the above-mentioned legally binding contract that she decided to undertake detailed research and received information that suggested she had got a bad deal.

Whilst I have empathy with Ms O as she later discovered she may have got a better deal, I don't think it would be fair or reasonable to hold Key Currency responsible for Ms O's perceived loss. I say this because:

- The exchange rates that businesses offer take into account the various market considerations and are commercial decisions. Some charge fees and / or a margin on the foreign exchange rate. Although I appreciate Ms O quickly undertook her research and considers that she made a mistake when doing so, it was for her to satisfy herself the rate was competitive before completing the deal.
- Whilst I understand the potential change in the market and Ms O feeling *'a bit pressured'*, I don't think the Key Currency trader put her under any pressure and Ms O could have stopped the discussion at any point and not proceeded with the deal.
- Upon agreeing the deal Key Currency would sell the EURO's.
- Even if the market remained the same, Key Currency followed their terms and conditions and whilst Ms O believes other businesses would reverse such a deal I'm satisfied it isn't Key Currency's standard practice.
- Although I've seen foreign exchange rate trend and wholesale average information provided by Ms O and understand her frustration at not knowing Key Currency's commercial margin I can also understand why Key Currency question the validity or otherwise of non-binding quotes provided *'by competitive firms, after the fact'*

I recognise Ms O's distress and disappointment here as the money is the proceeds of her house sale and life savings and she feels she didn't get the best exchange rate that she could've. That might be the case, but that doesn't mean Key Currency did anything wrong here.

Ultimately the exchange rate offered to Ms O was a commercial matter for Key Currency. They met their regulatory requirements provided Ms O with the necessary information including the sum she would achieve in GBP. It was for Ms O to accept or reject the exchange rate and I'm satisfied she made an informed choice. I'm not persuaded that *'it should be mandatory that FX brokers confirm the commission they are taking with each fx deal'* and I don't think Key Currency treated Ms O unfairly.

So, having considered all the above, I'm sorry to disappoint Ms O but I'm not upholding this complaint.

I note that Key Currency have offered to make goodwill offer of £2,204.57 to Ms O which recognises her disappointment in the exchange rate she received. I think this is fair and it is for Ms O to let Key Currency know if she wishes to accept this.

My final decision

My final decision is that I'm not upholding this complaint against Key Currency Limited.

Under the rules of the Financial Ombudsman Service, I'm required to ask Ms O to accept or reject my decision before 24 December 2024.

Paul Douglas
Ombudsman