

The complaint

Mr T complains about the exchange rate he received from Lloyds Bank PLC when transferring funds abroad.

What happened

In 2023 Mr T made several substantial international money transfers (IMT) from his account held with Lloyds to his account held with another bank abroad.

Mr T says that he held a Platinum Account and one of the benefits the account offered was preferential exchange rates. He complained to Lloyds in 2024 as he didn't think he'd received preferential exchange rates on the IMT he'd undertaken in 2023.

Lloyds said Mr T had received the correct exchange rate at the time of the transfers. It explained that the preferential exchange rate Platinum Account holders were entitled to applied to travel money orders, not IMT.

Unhappy with the outcome of the complaint Mr T referred the complaint to this service. He said that he was aware of the transfer fee of £9.50 per transfer, but the exchange rate he received was not preferential when compared to exchange rates he's found on an independent website. He says the use of the word 'preferential' is misleading and he has lost out by around £5,000.

One of our investigators looked into the complaint, but he didn't think Lloyds had done anything wrong or treated Mr T unfairly, so he didn't uphold the complaint.

Mr T didn't accept the outcome the investigator had reached. He said the complaint evolves around the wording of the Lloyds' Platinum Account benefits which states on-line: '*Preferential foreign exchange rates*'. And that he didn't receive anything preferential on the transactions he undertook. He added that Lloyds' foreign currency conversion process doesn't state the preferential exchange rate offer is for cash transactions only and when making a foreign currency conversion on-line it doesn't ask for the purpose for the exchange i.e. a holiday.

The investigator didn't alter the outcome he had reached. He thought that the preferential exchange rate applied to the purchase of foreign currency for travel purposes, not to the type of transaction undertaken by Mr T – an IMT.

Mr T asked for his complaint to be reviewed by an ombudsman, so it's been passed to me.

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'm aware that I've only summarised Mr T's complaint points. And I'm not going to respond to every single point made by him. No discourtesy is intended by this. It simply reflects the informal nature of our service as a free alternative to the courts. If there's something I

haven't mentioned, it isn't because I've ignored it. I haven't. I'm satisfied I don't need to comment on every individual point to be able to reach what I think is a fair outcome.

Having done so, I don't agree Lloyds has made a mistake. It executed the currency conversion on Mr T's instructions, and I'm not persuaded that the Platinum Account offered preferential exchange rates on international money transfers. I know this isn't the answer Mr T was hoping for, so I will explain why.

I think it's important to explain that buying foreign currency in a cash transaction is different to sending a payment abroad in a foreign currency (an IMT). So, I don't find it unusual that Lloyds offers different exchange rates depending on the type of transaction being undertaken.

I've looked at the account terms and conditions of the Platinum Account Mr T held. This says: *'With a Platinum Account you get access to preferential exchange rates when ordering travel money with Lloyds Bank. Just order from a range of currencies by 3pm for next working day delivery to your home or your local branch'*. I find this statement to be clear in that preferential exchange rates applied to travel money - purchasing foreign currency in cash. And I've not seen anything in the Platinum Account terms and conditions which would make me think that the account offered preferential exchange rates on an IMT.

Mr T has said that on Lloyds website it says the Platinum Account offers preferential exchange rates. And I accept that is how the heading is worded under the benefits section. But I've also seen that next to the heading there is a drop-down icon (v) and when you click on this, I'm satisfied that it says *'As a Platinum Account customer you get preferential exchange rates when ordering travel money with Lloyds Bank. Ordering travel money online is simple and secure. If you order by 3pm your money will be sent to your home or local branch the next working day'*. Again, I find this to be clear in that it relates to a physical cash transaction. Overall, I don't find that the Platinum Account offered preferential exchange rates for international money transfers.

I understand Mr T's concern that he might not have achieved the best exchange rate he could have done if he had used another currency exchange provider, but that doesn't mean that Lloyds's exchange rate or the way Lloyds dealt with his transactions was unfair.

Lloyds was not providing an advisory service to Mr T. Mr T undertook the transfers on-line. And I've seen that on Lloyds' website under the section: *'Let's look at the details....what exchange rate you'll receive'* it says:

'Our standard exchange rate includes a margin, which you can see by using our margin calculator. The margin changes depending on how much you send...The margin is the difference between our standard exchange rate and the wholesale rate at which we buy and sell currency in the foreign exchange markets'.

And I've seen that there is a margin calculator which shows what margin is being applied on a particular transaction when the amount and other details are entered. Lloyds' website also says that the exchange rate will be shown before the payment is confirmed. In this respect Lloyds has provided copies of the screen shots Mr T would have seen when instructing the transfer and I'm satisfied that this shows the exchange being used when making a particular transfer.

Overall, I've not seen enough to be able to say Lloyds did not act in good faith towards Mr T. I find Lloyds' website to be clear that its exchange rate includes a margin which takes into account the size of the transaction and its wholesale costs. And the screenshots Lloyds has provided indicate that the amount Mr T was going to receive following the currency

conversion was confirmed to him during the process and he wasn't obligated to proceed at that point if he was unhappy with the exchange rate being offered.

In conclusion, whilst I appreciate that this decision is not the outcome Mr T was hoping for, I don't agree Lloyds has acted in an unfair or unreasonable way when it handled his transactions.

My final decision

For the reasons given above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 9 December 2024.

Sandra Greene
Ombudsman