

## The complaint

Mrs L complains about Bank of Scotland plc, trading as Halifax, not telling her about fees when buying a product in another country.

## What happened

In July 2024, Mrs L used her Halifax GBP account and debit card to buy a high value product in Country A.

Soon after making the purchase, she was surprised to receive a Halifax notification that her account had gone overdrawn. When she checked her account, she was shocked to find that she had been charged a foreign currency transaction fee and purchase fee totalling £1129.50.

Mrs L says she'd spoken to a Halifax agent prior to making the purchase, and they didn't tell her that these charges would be incurred when paying for a product in local currency and, had she been made aware, she would've paid in GBP in the Country A store.

Mrs L complained to Halifax, but they said they hadn't made an error as their agents would only give this information where a customer asks for it.

Mrs L brought her complaint to our service as she believes Halifax misled her. This is because, in advance of making the transaction, she says she asked them if there was anything she needed to do and *'no-one told me I had to pay in pounds'*.

Our investigator considered Mrs L's complaint and said:

- *'While I agree that the transaction fee was applied correctly and Halifax hasn't done anything wrong, I think Halifax could've done better to remind Mrs L of the terms and conditions of making a payment in a foreign currency. Therefore, I don't think the transaction fee should be refunded, but I do think Halifax should award Mrs L some compensation for the distress and inconvenience she suffered.'*
- *'I think that Halifax should award Mrs L £150 compensation for the distress and inconvenience of the situation when making a payment in a foreign currency.'*

Halifax agreed to pay this amount of compensation, but Mrs L remains dissatisfied. So, this 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 empathise with Mrs L's distress as she believes she could've avoided a financial loss, I'm also partially upholding this complaint. And I'll explain why.

Having listened to the call recordings on file, I don't think:

- Mrs L was misled by Halifax
- Halifax should've advised her to pay for her transaction in GBP

I say this because:

- Mrs L received funds in GBP and said she wanted to pay for the product in the currency of Country A
- I found the agent was helpful and correctly answered all the questions Mrs L asked her
- Mrs L didn't ask any further questions when the agent said *'If you are buying it in x (local currency) you are going to have to pay for it in x'*
- Choosing to pay in GBP may not be a better choice than local currency, even if fees apply, as it depends on the foreign exchange rate applied

Although the foreign currency transaction and purchase fees are clearly detailed in both the terms and conditions of Mrs L's account and on Halifax's website, and Mrs L didn't specifically ask about fees, I agree with our investigator that it would've been good service for the agent to have mentioned applicable fees when paying in local currency. Then Mrs L could've checked the terms and conditions, considered the pros and cons of paying in local currency or GBP and not suffered distress.

Whilst I understand Mrs L's distress here and her expectation that Halifax should've told her about the transaction fee for an international purchase, from reviewing the file, I'm satisfied that it isn't Halifax's policy, procedure or process to proactively clarify fees on calls unless a customer makes a specific enquiry. And as I can't see that Mrs L did that, I also can't say Halifax made an error here. I should point out it isn't for our service to tell a business to make such a modification to their policies, procedures or processes, including for large amounts.

So, having considered all the information currently on file, I agree with the investigator's view that Halifax should pay Mrs L £150 compensation and I'm therefore partially upholding this complaint.

### **My final decision**

My final decision is that I require Bank of Scotland plc, trading as Halifax, to:

- Pay Mrs L £150 compensation

Under the rules of the Financial Ombudsman Service, I'm required to ask Mrs L to accept or reject my decision before 3 February 2025.

Paul Douglas  
**Ombudsman**