

The complaint

Mr B complains that Key Currency Limited misled him when he used their foreign exchange payment services to exchange a large sum of money from US dollars to sterling.

He says he was the subject of a bait and switch scheme, which resulted in him losing money when he made the exchange.

What happened

Mr B approached Key Currency Limited in 2022 because he wished to use their services to exchange some money from US dollars to GBP for a house purchase, he was making in the UK. He had an exchange rate in mind that he was hoping to achieve and made this clear to his account manager in their initial call.

On 29 March 2022 Mr B and his account manager discussed the exchange further and the rate available at the time. Mr B raised concerns about the rate because it wasn't as high as he'd hoped, but he decided to go ahead with the exchange.

Subsequently Mr B became unhappy with the rate he was given, the margins applied to the trade by Key Currency Limited and the information he was given about this. He complained and said he felt mis-led and that Key Currency Limited wasn't transparent about the process.

Key Currency Limited responded and said they were satisfied that the handling of the trade was carried out as instructed and they were satisfied that Mr B was adequately informed about the details of the transaction, so he could make an informed decision.

Mr B remained unhappy and brought his complaint to this service. One of our investigators considered the matter. In their initial opinion they said they'd listened to the call Mr B and with his account manager on the day of the exchange. They were satisfied Mr B was given sufficient information about the rate of exchange Key Currency Limited could provide and he wasn't pressured into the trade. They also said they'd seen no evidence of a bait and switch scheme and were satisfied Key Currency Limited explained that they didn't offer the interbank rate or work off that rate.

Mr B remained unhappy. He provided a very detailed report explaining why he disagreed. He maintained that Key Currency Limited weren't transparent about the margins, or hidden costs they applied to their foreign exchange payment services.

The investigator considered Mr B's further points, but ultimately it didn't change his mind – he didn't think Key Currency Limited needed to do anything further. He was satisfied that they provided Mr B with enough information to make an informed decision when he made the trade.

Mr B disagreed and so the complaint has been passed to me to consider.

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 B has provided detailed reports and submissions, which I have considered as part of my review. He has also made references to the law.

I mean no discourtesy by not responding or replying to each point or argument Mr B has made. It is my role to get to the crux of a complaint and address the main issues. Whilst I have taken account of the relevant laws, my remit is to decide whether the business has acted fairly and reasonably.

In this instance, I don't agree Key Currency Limited has made a mistake. They executed the currency trade on Mr B's instructions, and I'm not persuaded they applied their pricing strategy to the transaction in an unfair or unreasonable manner. I'll explain why below.

Key Currency Limited was not providing an advisory service to Mr B. The terms and conditions make it clear that they offer services on an execution only basis.

I've listened to the call recording where Mr B agrees to the transaction. Mr B is familiar with his account manager and there are references made to previous interactions. As such, I consider there was a degree of continuity and consistency present.

The amount of sterling that would be received was made clear to Mr B before the contract was entered into. There was no obligation or pressure placed upon Mr B to accept the deal. When Mr B asked for the rate, the account manager confirmed it and he later clarified once again, how much sterling Mr B was getting.

Summarising and repeating key details show that Key Currency Limited was considerate of the needs and characteristics of Mr B. I also note from Mr B's communication with Key Currency Limited and this service that he is well informed on foreign exchange. As a result, I'm satisfied Key Currency Limited made clear to Mr B the rate he was receiving and gave him ample opportunity to change his mind, or take the opportunity to look elsewhere, before entering the contract.

It is important for me to consider supporting evidence from the time of the deal to be satisfied that a customer has been treated fairly. Key Currency Limited has explained that it has a flexible pricing model, taking into account the size of the transaction, other ongoing trades, and its wholesale costs. Its terms and conditions also explain that "the exchange rate it offers the Client will not be the same as the rate Key Currency Limited obtains itself."

Key Currency Limited has provided this service with confidential and commercially sensitive information to explain how the rate offered to Mr B was calculated. I'm not able to share this information, so I can't provide copies or extensive details about it. But having seen the information for Mr B's transaction, I've not seen anything that makes me think the way the exchange rate has been calculated is obviously unfair to him. I remain mindful that the amount Mr B was going to receive in sterling was confirmed to him on more than one occasion, and that he didn't have to go ahead with the transaction at that time if he was unhappy.

Key Currency Limited buys at a wholesale rate and they offer a trading rate to the customer. So, comparing the rate Mr B got with other rates advertised online, such as inter-bank rates, are not comparing like for like. I'm satisfied Key Currency Limited explained this to Mr B when he queried this during the telephone he call had with them.

I note Mr B has referred to a comparison website that he said provided information about Key Currency Limited's fees, which is why he originally chose to contact them. I've looked at

the website he is referring to and I note that it has a disclaimer explaining that the information contained on the website is for informational purposes only. Nevertheless, for the reasons I've explained above, I'm satisfied that when discussing the transaction with Key Currency Limited, Mr B was given adequate information about the trade to make an informed decision.

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

My final decision

For the reasons I've explained above, I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 8 April 2025.

Rachel Killian
Ombudsman