

## The complaint

Mr D has complained about the spread that Global Currency Exchange Network Ltd trading as GC Partners ("GC Partners") applied when carrying out a spot foreign exchange transaction for him.

## What happened

Mr D sold a property overseas and wanted to convert around R2.8m South African Rand (ZAR) from the proceeds of the sale into Great British Pounds (GBP).

In September 2023 Mr D's solicitor put him in contact with a Foreign Exchange (FX) broker that used GC Partner's foreign exchange and money remittance services.

Once the money from Mr D's share of the property was made available to him, he called the broker on 31 October 2023 to discuss converting his ZAR into GBP. During the call, Mr D was quoted an exchange rate of *"Just under 23 and half Rand"* to the Pound and happy with the rate offered, Mr D instructed the broker to go ahead with the currency conversion. I understand that Mr D was informed that the exact exchange rate applied to the transaction was R23.467 ZAR to the Pound.

Shortly after, Mr D called the Broker to cancel the order. Mr D says he did this as he'd carried out an internet search and saw that the mid-price was R22.65 ZAR to the Pound and he felt that the spread applied to his currency conversion was too wide. However, the broker confirmed that the order had already been submitted to GC Partners' bank and so the exchange couldn't be undone by that point (without further cost to convert it back). The proceeds of Mr D's currency conversion were transferred into Mr D's UK account on 1 November 2023.

Unhappy with this, Mr D complained to GC Partners. Mr D said that GC Partners had applied a spread of over 3% to the transaction. Mr D deemed this to be an unreasonably high spread as he says he could've transferred the money through a South African bank with a lower spread of between 0.6% and 1%.

GC Partners responded to Mr D's complaint and didn't uphold the complaint. In summary, GC Partners said that Mr D had agreed that the currency conversion should go ahead based on the exchange rate given to Mr D during the phone call on 31 October 2023. It said that the trade was then immediately booked with its bank, and the trade could then not be cancelled without incurring costs. It said that, in accordance with its terms and conditions, once Mr D had accepted a rate then that is the contractual agreement to proceed.

As Mr D didn't accept GC Partners' responses to his complaint the matter was referred to this service.

One of our investigators assessed the complaint, but they didn't think that GC Partners had acted unfairly.

As Mr D disagreed with the investigator's conclusions, the matter was referred for an ombudsman's decision.

## 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 reviewed everything, I don't uphold this complaint for broadly the same reasons that the investigator gave. I will explain why.

Firstly, I note that Mr D was in contact with a broker, and it was the broker that carried out the spot FX contract with Mr D. But looking at the broker's website, it says that its payment and foreign currency exchange services are provided by GC Partners. I understand that, prior to the conversion, the broker had sent Mr D a brochure about the services offered by GC Partners. So, although a broker may've been involved, I'm satisfied that GC Partners are ultimately responsible for the matter that Mr D has complained about. And it seems from GC Partners' responses to this service, that they accept they are responsible for the events that Mr D has complained about too.

Turning now to the matter at hand, having considered everything, I don't think that GC Partners, or its broker when acting on its behalf in processing the FX spot contract, acted unfairly or unreasonably. The broker started off by asking Mr D if he wanted to convert the currency on the day of the call (31 October 2023) or if he wanted to do so over the next few weeks. Mr D confirmed he was happy to convert the money on the day of the call. So, I'm satisfied that the broker didn't place any pressure on Mr D to convert his money there and then. When Mr D confirmed he was happy to convert his money 'today', the broker said that he could get *"Just under 23 and half rand"* for Mr D. The broker confirmed how much in GBP Mr D would receive and Mr D agreed for the conversion to go ahead on that basis. Mr D has confirmed that he was then informed that the specific rate applied to the transaction was R23.467 ZAR to the Pound.

I understand that Mr D is unhappy with the conversion because, shortly after he'd already given the go ahead to the broker, he checked the midpoint rate online and felt that the spread that GC Partners had applied was too high. But I can't reasonably hold GC partners responsible for the buyer's remorse that Mr D subsequently felt. In my view, the information provided about the rate and service being offered here was clear and so Mr D could have made a decision on whether or not he was willing to accept that rate. Mr D always had the option of comparing and contrasting the rate GC Partners could offer him with others that were available - before making a decision. Unfortunately, it seems that he only did that *after* agreeing to the conversion, rather than before.

I understand that the main issue that Mr D is unhappy with here, is that he says the spread that GC applied on the conversion was around 3.5%, compared to the mid-point exchange rate that Mr D found on a website.

I can fully appreciate Mr D's perspective on this point – he was exchanging a large amount of money, so even small differences in the exchange rate could result in him receiving a fair amount more or less in GBP. However, looking at GC Partners' terms and conditions, it says the foreign exchange service was provided on an execution only basis. Mr D says he never saw these terms and conditions beforehand. But even if that is the case, having listened to the call on 31 October 2023, I can't say that any advice was given to Mr D about the competitiveness of the exchange rate that was being offered. It looks to have simply provided him with information about the service and the rate it was willing to offer him at the time and he agreed to proceed on that basis.

So, it was essentially up to Mr D to decide whether he was happy to proceed with the quoted exchange rate or not. I therefore can't reasonably hold GC Partners responsible because he was later unhappy with the rate that he'd agreed to proceed with or for his apparent regret in not shopping around for a better exchange rate beforehand.

One of the reasons why Mr D says that the spread GC Partners applied was unfair, is because he says he later enquired with another Foreign Exchange provider in South Africa, and it was able to offer a spread of between 0.6% and 1%. So Mr D says that GC Partner's spread was unreasonably high. But GC Partners is a UK based company, not a South African company. And when I have compared the stated ZAR to GBP mid-point (using the same website that Mr D used) and the ZAR to GBP exchange rate offered by other UK FX providers at the time of writing this decision, I found the spreads being offered were not too dissimilar to what Mr D received. Of course, I'm not necessarily saying that Mr D wouldn't have been able to find a better spread with another UK FX provider, with a bit of shopping around. But at the same time, in my view, I don't think that the spread applied by GC Partners was so high as to be deemed unreasonable.

So overall, whilst I recognise that Mr D may well have been able to obtain a better rate elsewhere with a lower spread, I don't think that in itself means that GC Partners have acted unfairly or unreasonably here.

Finally, I note that Mr D has made a number of points to support his complaint. For example, Mr D has made a number of references to the Financial Conduct Authority's regulations. Mr D has referred to COB 5.6R and COBS 11.2AR. But, as far as I am aware, neither of those rules apply to spot FX contracts, as those parts of the relevant sourcebook relate to investments.

Mr D has also said that the broker and the marketing information made a number of misrepresentations that led him to believe that it would offer him the best rate available.

For example, I understand the broker had said he could monitor the movements in exchange rates to ascertain when may be a good time for Mr D to convert his ZAR into GBP. However, although this is a service that the broker may've offered Mr D, in the phone call on 31 October 2024 Mr D was clearly happy just to go ahead with the transaction there and then, rather than employ a wait and see strategy. So I can't reasonably say that the broker had misled Mr D regarding the 'wait and see' option, when it was not something that Mr D wanted to do.

Mr D has also referred to the GC Partners' marketing material and says that is also misleading as it says things like: *"Do you want the best exchange rate..."* and *"We will outperform the high street banks"*. However, the document Mr D refers to is a marketing brochure – and I don't think the wording of this general advertising material means I can say that GC Partners acted unfairly in the individual circumstances here. It offered the rate in question to Mr D and - even if it presented GC Partner's services as competitive - as I've explained above, I don't think the spread was so high as to be unreasonable.

Also, it seems that Mr D is saying that GC Partners' marketing material misled him because he says he could've got a better rate with a large South African bank. But when GC Partners said they can *"outperform the high street banks"* in its marketing material, I understood that they were referring to *UK* high street banks, rather than to all high street banks located all over the world – or in Mr D's case, high street banks in South Africa. Indeed, the marketing material that Mr D was provided with does indicate that is the case as it says: *"If you transfer your money overseas with your UK bank you could be charged anything from £10 to £40 for each transfer."* So, I don't think GC Partners' marketing material can necessarily be said to

be misleading by saying they can offer 'great' exchange rates, just because Mr D found a better rate being offered by a bank in South Africa.

Overall, I think GC Partners gave Mr D sufficient information for him to decide whether to proceed with the conversion or not. Because of these reasons, I don't think it would be appropriate to say that GC Partners should pay back the spread to Mr D, as he has requested it to do.

I appreciate that Mr D may be unhappy with this decision. But I hope I have been able to explain the reasons why I have not found in his favour on this occasion. And Mr D is free to not accept my decision and pursue matters outside of this service, if he so wishes.

### **My final decision**

Because of the reasons given above, I don't uphold this complaint.

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

Thomas White  
**Ombudsman**