

The complaint

Mr R complains TSB Bank plc didn't charge him the rate he'd been told it would when he received a payment from an overseas account.

What happened

Mr R has an account with TSB.

Mr R says he contacted TSB using its online chat service in October 2023 to ask what charges it would apply to a transfer from an overseas account. He says he was sent a link to TSB's charging guide which suggested TSB would apply the VISA exchange rate to the transfer and charge £7. Mr R says he questioned this as this was far lower than most other banks and he wanted to make sure he wasn't missing anything. He was told he hadn't. He subsequently received a transfer from an overseas account and complained to TSB saying that it hadn't used the VISA exchange rate when converting his money and that it appeared to have charged him a commission meaning he was approximately £700 worse off.

TSB looked into Mr R's complaint and said that it had applied its charges correctly and that the rate it uses to convert money may differ slightly from the VISA exchange rate. Mr R was unhappy with TSB's response and ultimately complained to our service.

One of our investigators looked into Mr R's complaint and said that although TSB had processed the incoming payment properly – and in line with the terms and conditions of the account – its agent had provided Mr R with incorrect information and hadn't helped by referring Mr R to TSB's charging guide as that doesn't give information about rates. They recommended £100 in compensation in recognition of the upset the interaction had caused.

Mr R accepted our investigator's recommendations. TSB didn't. TSB said that our investigator had acknowledged that it hadn't made an error dealing with the payment and that there was no error in the information TSB had provided. TSB also said that it didn't agree that it should have directed Mr R back to the terms and conditions of his account.

Our investigator disagreed saying that TSB, amongst other things, should put themselves in their customers' shoes when considering whether their communications equip customers with the right information at the right time. As TSB didn't agree, Mr R's complaint was referred to an ombudsman for a decision. TSB was unhappy with this, saying it hadn't had an opportunity to properly respond and review what had been said. Mr R's complaint has since 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.

In this case, there's no dispute that TSB processed the incoming payment that Mr R has complained about properly. I can also see that TSB's website says that if a sender sends a payment in local currency that TSB will convert this into pounds. And, more importantly, that

this will be done “based on our own daily rates”. The issue here, however, is that when Mr R spoke to an agent on TSB’s online chat they said that:

“the funds will be converted to Sterling based on the VISA exchange rate”

I can completely understand why Mr R expected – albeit wrongly so – that TSB would use the VISA exchange rate on the day of the transfer to convert the payment he received given what the agent had said. That’s not what happened, so I agree that Mr R was provided with incorrect information and that this ultimately caused upset.

Putting things right

Our investigator recommended £100 in compensation for the upset caused, rather than the £700 difference Mr R was claiming. Mr R accepted this recommendation, and I consider it to be more than reasonable. So, that’s the award I’m going to make.

My final decision

My final decision is that I require TSB Bank plc to pay Mr R £100 in compensation in full and final settlement of his complaint.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr R to accept or reject my decision before 10 July 2025.

Nicolas Atkinson
Ombudsman