

## **The complaint**

Mr C is unhappy with the exchange rate Nationwide Building Society (Nationwide) used for an international transfer. He doesn't think Nationwide made him aware that a 'third-party mark-up' was involved.

## **What happened**

Mr C sent £400,000 to his account held in New Zealand while in branch on 27 June 2024. This was converted to 811,640 New Zealand Dollars (NZD) at an exchange rate of 2.0291. The transfer was for the purchase of the house that he was hoping to make an offer on.

Mr C checked the rates online shortly before visiting branch and he was asked to sign a transfer form before the payment was made. However, the branch was busy, so he was distracted when agreeing to the exchange rate quoted to him and was told that the only fee applied would be £20.

After the transfer was completed, Mr C found that the rate used wasn't what he expected. He went back to multiple branches and the staff couldn't provide clear answers on this when he asked about transfer fees. Mr C eventually found out that a 2.2% mark-up was applied by Nationwide's intermediary when sending the payment. Mr C complained to Nationwide as he felt that they hid the third-party charge from him, and he wouldn't have agreed to the transfer if he was told about it. As such, he wanted them to refund the amount that was deducted by the mark-up.

Nationwide disagreed, explaining that Mr C signed the transfer form and agreed to the rate, which he didn't have to do if he wasn't happy with it. Mr C remained unhappy, so he referred the complaint to our service. An Investigator reviewed the complaint and empathised with Mr C, but they agreed with Nationwide as the information was available online and provided to him before the transfer. They added that Mr C chose to proceed after being made aware of this information and they're satisfied that he had the opportunity to review it.

Mr C said it must be a legal requirement for Nationwide to tell him about the third-party fee and the cashier didn't mention anything about this verbally. If they did, he said he would have sent the funds through a different currency exchange service. As such, the complaint has been passed to me for a final 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.

Mr C has provided detailed submissions on why he thinks Nationwide has acted unfairly, while I may not address every point made, I have taken what he's said onboard. I'd like to

make it clear that our service doesn't determine whether a business has broken the law – that is for the courts to decide. We're also not the regulator, so we don't decide what practices and procedures a business should have in place. Instead, I'll be considering whether Nationwide did enough to make Mr C aware of the exchange rate used for the transfer and the potential costs involved, based on the circumstances at the time.

### *The third-party mark-up*

Mr C's unhappy with the mark-up applied to the transfer and feels that he could have obtained a better rate elsewhere. While this may have been possible, it's worth noting that most payment service providers will choose a rate for converting currency which takes into account the costs and/or profit associated with that transfer. There are also multiple businesses that use third-party services to enable this – so it's likely he would have paid a mark-up wherever he went.

If Mr C used a search engine to check the NZD exchange rate, it's likely that he would have been provided with the interbank rate – which is the current rate that the currency is traded at in extremely large volumes. It's unlikely that he would have obtained that rate due to the costs involved in transferring and exchanging currencies between personal accounts.

### *The information provided*

I can see that Nationwide's website has a section which sets out the days exchange rate used for different currencies. It also explains the 2.2% mark up and the third-party involvement in the transfer. I agree with Mr C that we shouldn't assume that everyone has sufficient knowledge to locate key information online. However, as Mr C was able to check the daily exchange rates online, I think he would have also been able to visit Nationwide's website, and this information wouldn't have been difficult to find.

Mr C has said that he was distracted by multiple factors while in branch, the cashier rushed through their explanation of the exchange rate, and they only mentioned a £20 transfer fee. Nationwide has provided a copy of the 'SWIFT Transfer Request Form' which is signed and dated by Mr C. This form confirms the exchange rate used for the transfer and also includes the following information.

*'Our international payment and currency conversion services are carried out by a 3<sup>rd</sup> party provider. If you make an international payment in foreign currency, we will convert the amount you want to send using the latest standard outbound exchange rate, which is updated at regular intervals throughout the day. The outbound exchange rate includes a currency conversion mark up of 2.2%. This is a percentage included in the exchange rate by our 3<sup>rd</sup> party provider that is carrying out the currency conversion service and not an additional charge. Nationwide receives a share of this mark-up. Your statement will also show our standard outbound exchange rate that has been applied to your international payment.'*

I think the form signed by Mr C clearly explains the involvement of a third party, the mark up applied to the conversion and the exchange rate used for the payment. While Mr C argues that he wasn't told this information by the cashier, this form is there to ensure that he receives all of the relevant detail before agreeing to the transfer.

I acknowledge that Mr C was in a rush to complete the transfer and there were distractions

in the branch on the day. But if he didn't feel comfortable with any aspect of the transfer or if he didn't feel comfortable enough to decide at the time, he didn't have to proceed and could have looked at exchange rates used by other providers. By signing the transfer form, Mr C agreed to the information included in it, so I can't reasonably say that he wasn't made aware of the way that Nationwide would carry out the transfer.

Mr C visited multiple branches after the transfer and has said that staff didn't mention the mark-up when he asked them about international transfer fees. From his contact with us, I understand that he would expect branch staff to mention the mark-up and involvement of a third-party when he asks about fees. I'm not going to explore the definition of a 'fee', but I can see from the transfer form and Nationwide's website that they don't deem this mark-up to be an additional charge. Instead, it's treated as an explanation of how they decide their exchange rates.

I would expect Nationwide's written and verbal information to remain consistent, so if Mr C has asked staff about fees, then I can see why the £20 fee is mentioned. I don't have anything to evidence what was said, but from what Mr C has said about the conversations he had, I think Nationwide's answers to his questions were in line with their product information.

Overall, I'm satisfied that Nationwide explained their currency conversion process online and on the transfer form signed by Mr C. I think he would have had the opportunity to review the information on their website before visiting branch, but even if he didn't, the transfer form clearly set out the details that Mr C has said he wasn't told about. While Mr C may not have taken the time to read this thoroughly, he did agree to it and chose to proceed with the transfer. So, I can't reasonably say that Nationwide failed to make their currency conversion process clear or have made a mistake.

### **My final decision**

For the reasons explained above, I'm not upholding the complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 16 July 2025.

Chris Lowe  
**Ombudsman**