

## The complaint

Mr M complains that JP Morgan Europe Limited (trading as Chase) acted unreasonably and violated the terms and conditions of his account when applying foreign exchange rates to two transactions he made.

## What happened

Mr M made two transactions on his Chase card on 11 April 2025 whilst overseas. Those were:

- Transaction one - \$858.50
- Transaction two - \$448

Both transactions settled on Mr M's account within a couple of days of them being made.

Based on information he'd obtained himself Mr M says he was expecting a much better rate of conversion (around 1.31). But when Chase processed the transactions, it used a rate of 1.27. Mr M says he's been overcharged as a result.

He had a series of online chats with Chase. He said, amongst other things, that at the time of the purchases, the rates were different. And that even a quick internet search would show that. He asked Chase to explain why the exchange rate used was so different from what he expected and to confirm it had used the final rate. Chase gave Mr M various responses, including:

- The Chase saver rate is tied to the Bank of England base rate.
- As a bank, it has no control over exchange rates for certain countries as those change from time to time. It said that if the exchange rate was 1.31 at the time, then that's the final rate that would be charged on the transactions.
- When paying in sterling, the rate is set by the merchant the consumer is buying from. Whereas paying in the local currency can help to avoid conversion fees – and secure a better deal.

Mr M wasn't happy with Chase's responses, so Chase logged a complaint. It replied on 1 May 2025, but it didn't uphold the complaint. It said exchange rates can fluctuate due to market conditions and other economic factors and its policy is to apply the exchange rate in effect on the date the transaction is posted to the account. Therefore, the rate can vary from that listed when the transaction is initiated. As far as the handling of Mr M's queries were concerned, Chase acknowledged there was room for improvement, and it agreed to give feedback to the specialists involved.

Mr M wasn't happy with Chase's responses, so he complained to the Financial Ombudsman Service. One of our Investigators considered his complaint. The Investigator didn't agree that Chase had done anything wrong. He also pointed out that the rate used when the transaction is finalised may not be the same as when it is initiated. And in any event, he said Chase isn't responsible for the exchange rate it receives from Mastercard. Ultimately, he was satisfied Chase applied Mastercard's correct rate.

Mr M didn't agree with the Investigator. He said he was surprised that a different exchange rate being used was not seen as problematic. Therefore, he thought that either Mastercard had falsely declared its exchange rate, or Chase had applied a different exchange rate to Mastercard's. He asked for his complaint to be referred to an Ombudsman. It's been passed to me to decide.

### **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.

I recognise that Mr M feels strongly about the events leading to this complaint. Amongst the points he made when bringing his complaint to the Financial Ombudsman Service, he said that the Bank of England reference exchange rate was 1.306 on the day the transactions were completed. So, that was clearly a factor in Mr M suggesting that Chase had applied the wrong rate.

Whilst I note Mr M's points, it's my understanding that individual card networks will typically set their own rates for transactions, which presumably take account of overall market rates, but won't necessarily equal them – for example if a network adds its own 'mark-up'.

In any event, I'm aware that the terms and conditions of Mr M's account say:

*“MasterCard will convert the amount into pounds sterling using their exchange rate on the day they process the payment (which may not be on the date the payment was made). We use MasterCard's exchange rates with no mark up”.*

I'm satisfied those terms are sufficiently clear in explaining, amongst other things, that it's the exchange rate on the date the payment settles (rather than when it is initiated) that is relevant. And, regardless of any other rates that might be published, or are otherwise available through other searches, I'm satisfied it's the comparison with Mastercard's rates that is the appropriate consideration here.

To help me address Mr M's complaint fully and fairly, I asked Mr M and Chase for further information.

Mr M no longer has the extracts from Mastercard's website that he'd previously referred to. And he's aware (as am I) that the information can no longer be obtained directly from Mastercard's website – presumably due to the passage of time.

I asked Chase to obtain confirmation directly from Mastercard that the exchange rates applied to the transactions in question (on the respective dates they settled in Mr M's account) correlated with Mastercard's own rates at the time.

Chase has subsequently confirmed that, according to Mastercard, the exchange rates applied to Mr M's transactions were accurate.

For completeness, those were:

- Transaction one - \$858.50 (£673.86) – 0.784927
- Transaction two – \$448 (£351.65) - 0.784933

Using these rates, my understanding is that conversions would typically be calculated as follows:

Transaction one:  $\$858.50 \times 0.784927 = \text{£}673.86$  (rounded up).

Transaction two  $\$448 \times 0.784933 = \text{£}351.65$  (rounded up).

In light of the additional confirmation I've received from Mastercard, and in the absence of any other evidence from Mr M, I'm persuaded, on balance, that Chase applied the correct

exchange rate to the transactions Mr M has questioned. Whilst I appreciate Mr M may still be disappointed, it does mean, on balance, I can't conclude Chase treated him unfairly or otherwise violated the terms of his account.

However, I do have some sympathy with another point Mr M raised relating to some of Chase's communications. I can see that when Mr M was trying to get to the bottom of the exchange rate issue, some of Chase's responses referenced unconnected matters. For instance, at one point it mentioned that savings rates were tied to Bank of England base rates. That wasn't relevant to Mr M's concern, and I imagine it wouldn't have done much to assure him that Chase understood his concern and was trying to answer it. On other occasions Chase appeared to ask Mr M for detail he'd already given. It's apparent that Mr M found that frustrating. That said, I can see that Chase acknowledged there was room for improvement in some of its communication and it agreed to give feedback to the specialists concerned. In the circumstances, I'm satisfied that's a reasonable response.

### **My final decision**

I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr M to accept or reject my decision before 11 March 2026.

Amanda Scott  
**Ombudsman**