

The complaint

Mr B complains about foreign transaction fees charged by TSB Bank plc (TSB).

What happened

Mr B holds a current account with TSB and has a debit card for the account. He was living abroad and used his debit card. He incurred foreign transaction fees of over £1000.

Mr B was unhappy about the fees, and complained to TSB. It said the terms and conditions of the account set out the fees that overseas debit card transactions incurred. It rejected his complaint.

As he remained dissatisfied, Mr B referred his complaint to our service. Our investigator didn't think TSB had done anything wrong. She considered the terms and conditions to have been suitably clear and the fees incurred had been charged in line with these. Mr B didn't agree, and asked 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.

I understand Mr B's unhappiness with the charges he's incurred. He's said he didn't know about these. I've no reason to doubt this, or that if he'd known about them he'd have looked at alternatives to reduce or avoid foreign transaction fees.

However, him not being aware isn't the same as saying that TSB acted unfairly. I need to consider whether it had made reasonable attempts to make him aware of overseas transaction fees.

I'm also aware that Mr B has made comparisons between the fees charged by TSB and other banks, who charge less (or no fees). However, we generally won't tell a bank how it should operate, or how much it should charge for certain services. Those are, ultimately, commercial decisions for the bank to make. We look at individual complaints and whether customers have been treated fairly.

The terms and conditions of Mr B's account say that when a debit card is used overseas, TSB will "add a fixed percentage to cover our costs when we convert the payment or withdrawal into pounds." The terms and conditions direct the customer to TSB's Banking Charges Guide, which sets out the percentage charged and that a £1 transaction fee is added to that. I haven't seen anything to suggest that the fees charged to Mr B were more than what was set out in the terms and conditions.

Mr B doesn't dispute that he was provided with the terms and conditions when the account was opened. It's also fair to say that any bank account will have terms and conditions attached to its use.

I'm satisfied that the inclusion of the foreign transaction fees is something that I'd expect to

see in the terms and conditions and that they have suitable prominence in the terms and conditions document for Mr B's account. The inclusion of foreign transaction fees isn't unusual or inherently unfair. I don't think it required any additional highlighting within the terms and conditions to make account holders aware of them.

I'm also aware that Mr B was abroad for a significant period of time, but it's also apparent from the account history that the foreign transaction fees were showing on the account at (or close to) the time of the purchases they were applied to. So it's fair to say Mr B could have seen these fees on his account, either on statements or through mobile banking apps. I can't say that TSB concealed or delayed the transaction fees so that he wasn't aware he was incurring them at the time.

Mr B's made specific reference in correspondence with our service to the Financial Conduct Authority's Consumer Duty, particularly TSB's obligations to provide fair value and ensure customer understanding.

In terms of providing fair value, this doesn't mean that all banks have to take the same approach to fees and charges. Banks can't have hidden charges, but as I've set out above, I don't think these fees could be considered hidden. If banks charge a fee then there needs to be an explanation for why, and it should be charged consistently. The terms and conditions say the overseas transaction fee is charged to cover TSB's costs, and as I've said above, I'm satisfied it was charged consistently.

Banks also need to ensure their communication is fair, clear and not misleading to help their customers understand the impact of their financial decisions. I've outlined why I'm satisfied the communication around the overseas transaction fees was suitably clear, and I can't say it was misleading. The amounts charged was in line with what was set out in the terms and conditions.

I know Mr B believes that TSB should have intervened and contacted him when it saw a large number of overseas transactions over a prolonged period. However, it's equally true to say that there's nothing to suggest TSB should have assumed Mr B didn't know about the transaction fees and had accepted he'd incur these when using his card overseas. It had provided him the relevant terms and conditions, and so I think it could reasonably assume he'd accepted using his card would lead to fees being incurred.

I know Mr B has made comments around the suitability of the account in general given he was living abroad, and that his account had been rolled over from one type to another after it was opened when he was 16. However, the complaint I'm considering here is about the fairness of the fees he was charged, not the suitability of his account.

On balance therefore, I can't agree that TSB acted unfairly here. The relevant fees were set out clearly in the terms and conditions, and charged in line with those terms. While Mr B believes the fees themselves to have been excessive, TSB has made a commercial decision to charge those amounts. It's up to customers whether they wish to incur the fees by using their card abroad, or look at alternatives. The communication around the fees was suitable and didn't breach any of TSB's obligations.

My final decision

I don't uphold Mr B's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 6 January 2026.

Ben Williams
Ombudsman