

The complaint

Mr S is unhappy that Santander UK Plc ('Santander') applied a mark-up when converting two incoming international payments after he was told that they don't apply one.

What happened

I issued a provisional decision on this complaint, inviting both parties to let me have any further comments. Below is a copy of what I provisionally decided and why.

Mr S called Santander in late March 2025 as he was intending to receive payments in Euros, and he wanted to obtain the best exchange rate. He called Santander and explained that he couldn't find any information in the Terms and Conditions (Ts & Cs), or on their website about any mark-ups included in their exchange rate. He asked for confirmation of what their mark-up was, but he was told they don't apply any fees and charges, and no mark-ups are added to the exchange rate, which is why it's not shown on their website.

Following this, Mr S received a €60 payment on 3 April 2025 which was converted to £40.77 at an exchange rate of 1.2302 GBP to EUR and a €50 payment on 4 April 2025 which was converted to £40.97 at an exchange rate of 1.2203 GBP to EUR. Mr S contacted Santander via their chat straight after these were received to complain as the exchange rates differed from the mid-market rate and he was told incorrect information.

Santander responded to the complaint explaining that the received amount being lower than expected could be due to sending bank charges as they haven't charged a percentage to the incoming payment. Mr S referred the complaint to our service as he felt that Santander had breached multiple FCA regulations and owes him compensation for the misleading information.

Shortly after providing their file, Santander recognised that the wording on their website and in their Ts & Cs needed to be improved, so they offered £100 compensation to resolve things. One of our Investigators reviewed the complaint and agreed that £100 was reasonable as it wasn't our role to tell a bank how to operate, we can't award compensation for the time Mr S spent researching the issue, and the £100 covered his losses and any errors Santander made.

Mr S disagreed with our Investigator as he felt strongly that the mark-up should be set out in Santander's fee structure and they provided him with mis-leading information. He added that they had breached FCA regulation and he was due a higher amount of compensation. As such, the complaint has been passed to me for a final decision.

What I've provisionally 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 can see that Mr S has provided multiple arguments explaining why they disagree with the outcome reached. I've reviewed these and considered them alongside the key evidence on

the case. While I may not comment on everything that's been raised, I've still taken it on board. I'll be commenting on the points that I think are key to the outcome.

It's not our service's role to tell a business to change its processes – specifically the wording used in their literature or to include specific tools on their website. But we must consider whether a business has acted fairly and reasonably in all the circumstances of a complaint, taking into account rules, regulations, industry guidelines and best practice at the time the event took place.

We're a dispute resolution service, not a regulator. A lot of Mr S' points and expectations relate to breach of regulation and compliance. We're unable to fine or punish businesses if they've made errors – as this responsibility lies with the Financial Conduct Authority (FCA). Our role is to review the facts and consider whether Mr S has lost out or been caused distress and inconvenience due to any errors that have taken place.

The information provided to Mr S

I've reviewed the transactions and can see that the exchange rates applied by Santander were less favourable than the mid-market rate at the time. I've used the Bank of England (BOE) spot rate as a baseline and can see that the rates applied by Santander were between 3.5% and 3.9% higher (for GBP to EUR). Rates fluctuate throughout the day and I'm unable to see exactly what the mid-market rate would have been at the exact time that the transactions were completed, but I'm satisfied based on this that a mark-up (margin) of at least 3% was applied to the exchange rate for both transactions.

I've listened to the call between Mr S and Santander; I think he was clear in his questions to them. He spoke to two call handlers and gave them context that he wanted to know about any mark-ups included in the exchange rate – not whether separate fees were added. Unfortunately, the advisors were unable to provide clear answers to his questions and didn't seem to provide useful answers despite Mr S waiting on hold for the information.

I think Santander should have been able to at least explain whether they add a mark-up or margin to their exchange rate, particularly because this is common industry practice. Santander has acknowledged that their literature is lacking in this area, and I agree that the information provided about margins could be clearer. Unfortunately, due to the above, Mr S left the call thinking that he would receive the mid-market rate with no charges applied.

The impact

Mr S has explained that he reviewed the margins applied by other banks including Revolut, Wise and Halifax before he contacted Santander as he couldn't find this information about their rates. He's advised that he would have used Wise to receive the transactions if he was given the correct information and based on his understanding of how currency exchange works which was shown in the call with Santander, I believe him. If he had used Wise (offering a 0.5% transaction fee), he may have obtained £3 more after both payments were converted – based on this 0.5% fee and the BOE spot rate for the day.

I appreciate that Mr S would have been shocked and frustrated after finding out that he was given incorrect information, particularly after he made efforts to ensure that the process was clear. And I can see that he wasn't given the correct information until he contacted our service.

Our service doesn't compensate for the time and effort spent bringing a complaint to us or

for the time spent conducting research to support an argument. This would be seen as punishing or fining Santander. While I can see that Mr S is very invested in this complaint, the compensation I recommend won't be able to recognise that.

Overall, I think the £100 offer recognises any losses incurred due to the unclear information and the distress and inconvenience Mr S experienced as a result of receiving this information.

My provisional decision

Santander UK Plc has already made an offer to pay £100 to settle the complaint and I think this offer is fair in all the circumstances.

So, my provisional decision is that Santander UK Plc should pay £100 to Mr S.

Responses

I asked for both parties to let me have their responses by 8 December 2025. Santander didn't respond and Mr S responded explaining that he felt the compensation should be higher.

Mr S has stated that he felt that Santander had made several complaint handling failings and took too long to recognise or accept any error. He requested that the compensation is increased, his potential losses are considered and that Santander issue an apology for the incorrect information they provided to him about the mark-up.

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 S has focused on the way Santander handled things after he had complained as a reasoning behind requesting more compensation. While I acknowledge that this would have led to frustration for Mr S, it's not something I can include when considering the compensation for this complaint. This is because complaint handling isn't an FCA regulated activity, so it isn't something our service can consider. As such, it's not within my remit to recommend redress because of the way a complaint has been handled.

I've already established that Mr S would have likely obtained £3 more if he had used Wise to receive the payment. I think the £100 offered includes this £3 potential loss. I can also see that the £100 offer was made to recognise the errors that had been made by Santander and the impact this would have had on Mr S. I'm satisfied that this recognises the errors that I've identified when reviewing the complaint and Mr S' correspondence, I don't think it needs to be increased.

I've taken Mr S' comments onboard but as I haven't been presented with anything that persuades me to reach a different outcome, I see no reason to depart from it. So I fully adopt this as part of my final decision. My conclusions are that Santander has acted unreasonably and assess that £100 should be paid to resolve the complaint in full and final settlement.

My final decision

My final decision is that Santander UK Plc should pay £100 to Mr S.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr S to accept or

reject my decision before 12 February 2026.

Chris Lowe
Ombudsman