

complaint

Mr A complains that he was mis-sold a travel money card by Sainsbury's Bank Plc.

background

On 28 June 2018 Mr A loaded \$3,000 US dollars (USD) onto a multi-currency cash passport card he obtained from Sainsbury's. He now feels this was mis-sold to him. He was told by a Sainsbury's advisor that he could use it to withdraw money abroad without incurring a fee – but charges were displayed on all of the ATMs at his destination. He also found he wasn't able to use the card in many places, including on transport. So when he returned to the UK he still had a lot of unused foreign currency on the card.

Mr A wasn't told when he loaded his funds onto the card that any unspent money would be paid back in pound sterling (GBP). He wants to obtain his unused funds in USD, the same currency he loaded onto the card. He said he stands to lose around 20% of the value of the funds on the card if he 'cashes out' the balance the way Sainsbury's say he has to.

Sainsbury's said that they don't charge customers for using ATMs, so they suggested Mr A should contact the third party card scheme (MasterCard) to find out why and how these charges applied. And they explained that they couldn't cash out the balance on Mr A's card in any currency other than GBP, and that this would be brought back by the bureau at the buy-back exchange rate of the day.

Mr A wasn't happy with this response, so he brought his complaint to our service. Our adjudicator felt that his complaint should be upheld in part. They didn't think Sainsbury's were responsible for the ATM charges. But they also didn't think Mr A would have read the terms and conditions for the card which explain that unspent funds will be paid in GBP. So they felt Sainsbury's should allow him to cash out the remaining balance on his card in the foreign currency.

Sainsbury's disagree. They feel that the terms and conditions are clear, and said they'd expect Mr A to have read these and checked the product met his needs. So the case has been passed to me to review.

my provisional decision

I sent my provisional decision to both parties on 21 June 2019. A summary of my findings is as follows;

- I said that Sainsburys had shown us that Mr A had signed a registration form saying that he agreed to the terms and conditions of the card when he first purchased it on 30 May 2018. And that I felt he'd have had time to familiarise himself with the registration leaflet and terms and conditions of the card prior to making this transaction the following month.
- I said Mr A had been told by Sainsburys that he'd be able to use the card commission free abroad. And noted that if he'd been made aware by Sainsbury's advisors that his card wouldn't be accepted everywhere he wanted to use it, and he'd be charged for making cash withdrawals, he would have chosen to take all of his foreign currency in cash instead.

- But I said that I thought the cash withdrawal charges he'd seen were likely fees applied by the ATM operators, and I didn't think this was the same as being charged for using the card itself. Or that it was within Sainsbury's control. I also said I didn't think I could fairly hold Sainsburys responsible for the fact the card wasn't accepted everywhere Mr A had tried to use it, and noted that the registration leaflet did say that the card wasn't suitable for everything, including as a deposit for hotels or hire cars.
- And I said that whilst I could understand why it was frustrating for Mr A that he could only redeem the unspent funds on his card in GBP I was satisfied that Sainsburys were acting in line with the terms and conditions of the card here. Although I appreciated its staff might not have drawn his term to his attention when he purchased his currency I thought it was reasonable that Sainsburys expected customers to read the terms and conditions before using the card.

responses to my provisional decision

Sainsburys responded to say that they agreed with my provisional decision and had no further comments or information to add.

Mr A responded to say that he wasn't happy with my provisional decision and didn't think I'd commented sufficiently on the oral advice he was given by Sainsburys. He made a number of further submissions, both via telephone conversations with members of this service, and by email.

In summary Mr A has told us he was initially going to put \$1,000 on the travel money card and keep \$3,000 in cash, but the Sainsbury's advisor told him to do this the other way around. He says he asked how it would work if the card wasn't accepted anywhere, and was assured that he'd be able to get cash for free from ATMs and over the counter. So he went ahead and put \$3,000 on the card. But when he got to the U.S he found that the ATM machines did charge. And at the bank counter he was told that whilst it wouldn't charge him for withdrawing cash, Sainsburys would.

As a result he returned to the UK with \$1,500 on his card, and was surprised he could only withdraw it in sterling, meaning it would be subject to an exchange rate. Our investigator had suggested Sainsburys should let him withdraw it in dollars. But Mr A has explained he'd still have to pay an exchange rate to convert it back.

He's also explained that whilst I said in my provisional decision that I thought it was reasonable for Sainsburys to expect him to read the terms and conditions of the card, these were actually conveyed to him verbally in branch by a manager. So he didn't feel he needed to read them in detail before he travelled the next day. And he thinks there should be an expectation that Sainsburys' staff will provide correct advice about the card.

my findings

I've reconsidered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint.

I'm sorry Mr A felt I'd overlooked the main points of this complaint in my provisional findings, and not fully considered the verbal advice he was given by Sainsburys. To clarify, the purpose of my provisional decision was to let the parties know what my initial view of this complaint was based on the information and evidence I'd been provided up until that point. And to give them the opportunity to respond with any additional information or comments they wished to make before I reached my final decision.

Mr A has provided some detailed comments in response to my provisional decision. I'd like to thank him for this and assure him I have taken everything he's told us into account when reaching my decision here.

In light of what he said I asked our investigator to make some more enquiries with Sainsburys and establish whether it had any further records of the conversations its advisors had with Mr A. Sainsburys told us that its CCTV isn't of sufficient quality to pick up conversations in branch. And that they had asked the members of staff concerned for their recollections of the conversations they had with Mr A when he first raised this complaint, but they weren't able to recall much about their interactions with him. I appreciate Sainsburys' advisors will speak to a lot of customers on a daily basis, so I don't think this is unusual.

Unfortunately, with complaints like this about verbal exchanges it's very difficult for me to be sure exactly what was discussed. That's not to say that I doubt Mr A's recollection of events. But I do appreciate that misunderstandings or assumptions can arise from conversations which aren't necessarily the 'fault' of either party.

In situations like this where evidence is incomplete or not available, I'm required to make my decision on balance i.e. what I think most likely happened given what's been said and provided in the circumstances of the complaint. I know Mr A will be very disappointed, but I still don't think this complaint should be upheld. I'll explain why.

I understand Mr A acted specifically on the advice he received from Sainsburys' staff here. And that he feels the advice he was given was incorrect. Primarily because he was told that he would be able to withdraw cash free of charge if he encountered problems with retailers or merchants not accepting the travel money card as a method of payment.

As I explained in my provisional decision, the terms of the card do say that it's free to use to make ATM withdrawals or payments to merchants. So I'm still not persuaded that the advice he says he was given by Sainsburys was technically incorrect. As I said, I think it's likely that the charges he saw on the ATMs he tried to use were imposed by the ATM operators themselves, not by Sainsburys or MasterCard. And I think it's unlikely a Sainsburys advisor would have made guarantees about any fees or charges imposed by third parties.

Mr A says he also tried to withdraw money at a bank counter in the U.S. And that he was told at the bank counter that whilst the third party bank wouldn't impose charges if he withdrew money in this way he'd be charged by Sainsburys for making the transaction. But as far as I can see this wouldn't have in fact been the case. I don't think any charges would have been imposed by Sainsburys or MasterCard here. So whilst I understand why Mr A chose not to go ahead and withdraw his money over the counter, I don't think it would be fair for me to hold Sainsburys responsible for incorrect information he was given by a third party.

Mr A says that when he purchased the card a Sainsbury's manager conveyed the terms and conditions to him verbally and he accepted them on the day, so there was no need for him to read them and the accompanying booklet before he travelled. I've already explained why I don't think the advice above was incorrect or conflicted with the terms and conditions of the card. So Mr A hasn't said anything that persuades me Sainsburys gave him incorrect information about the terms and conditions of the card.

He has suggested he wasn't necessarily made aware of all of the terms and conditions, and accompanying information. But I can see that the terms and conditions are quite detailed. So I'm doubtful that Sainsburys' advisor would have been able to cover them in depth in a conversation in branch. And if they did, I think it's quite possible Mr A wouldn't have recalled every point that was made.

I understand Mr A is disappointed that any withdrawal from the card has to be made in GBP. But he's also told us that even if Sainsburys were to let him have the money in dollars he'd need to convert it into GBP anyway and it would be subject to an exchange rate then. So the only way I can see that this situation could have been avoided was if Mr A had spent the dollars on the card in the U.S.

As I've said, I understand why he didn't do this. I also fully understand his frustration about any transaction he now makes in the UK being subject to second exchange rate given he'd already paid to purchase the dollars in the first place. But I've explained why I don't think I can fairly say Sainsburys are strictly responsible for the fact he returned with unspent funds. So whilst I'm sorry to disappoint Mr A again, I don't think it would be fair for me to ask them to compensate him for this.

Mr A has also commented on the fact that Sainsburys didn't tell him that if there was an issue he might need to speak to MasterCard. To be clear, I can only comment specifically on this complaint here. I can see that Mr A was directed to speak to MasterCard if he was concerned about cash withdrawal charges in a letter he was sent in relation to this complaint. I don't think it was unreasonable that this was suggested. And I think it would be hard for Sainsburys to foresee all of the possible issues Mr A might encounter and forewarn him if he might need to speak to a third party about them.

my final decision

My final decision is that I do not uphold this complaint for the reasons I've outlined above.

Under the rules of the Financial Ombudsman Service I'm required to ask Mr A to accept or reject my decision by 27 October 2019.

Jenette Lynch
ombudsman