

complaint

Mr B complains that Global Currency Exchange Network Ltd ("GCEN") did not complete a currency deal he had agreed with it.

background

Mr B placed an order online with GCEN, to buy a particular overseas currency. He was quoted a rate and received a message that said:

Thank you for your order.

Your Online Foreign Exchange order has been sent to GCEN for processing. If there are any problems with your order a GCEN account manager will contact you soon.

Mr B says that, in reliance on this message, he made arrangements to fund his account to pay for the currency transaction – but that GCEN told him the next day that it did not, in fact, deal in that particular currency and so the transaction would not be completed. Mr B considers that GCEN should compensate him for losses caused by its failure to complete the deal.

GCEN accepts that its website should not have quoted Mr B for this currency, but says that its message made clear that the deal was not yet live. It says that it tried to contact Mr B about two and a half hours after he had ordered the deal, but could not reach him at that time. GCEN says that it then returned Mr B's money without delay, and does not accept that it should pay him any compensation.

As the dispute was not settled, Mr B brought his complaint to this service where an adjudicator investigated it. From the evidence, the adjudicator accepted that GCEN had made a mistake in allowing Mr B to place an order – but also thought that the message he had received made it clear that the transaction was not guaranteed.

The adjudicator was satisfied that GCEN had then taken prompt steps to remove that currency from its website and to contact Mr B. Whilst there was a slight delay while the funds were returned, the adjudicator was not persuaded that any compensation should be paid for that.

Overall, the adjudicator did not recommend that the complaint should succeed. Mr B did not agree and said, in summary:

- GCEN did not deal fairly with him – it ignored him and took longer to answer his complaint than he had expected. It delayed sending a final response.
- He did not place an order – he made a deal. Both parties were then committed. GCEN did not honour that deal, and this caused him loss. There is no reason why GCEN could not have carried out the deal if it had wanted to; it simply chose not to.
- GCEN made one call to him to try to contact him – that was minimal and not sufficient. From what he had been told, the deal was going ahead. He only discovered what had happened when he contacted GCEN the next day.

- It is not true to say that he had money readily available to rearrange the payment. He had to wait for the money to come in from a foreign bank account, which took five days.
- His hourly rate is £75 and that is what he requires GCEN to pay him, in addition, for time spent dealing with this complaint. He also has a signed agreement with the recipient of the money to pay him daily interest, and the delay has caused him loss in relation to that.
- It is down to the ombudsman service to change behaviour in the financial services industry, by taking them to task.

my findings

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

GCEN made a mistake, because it allowed Mr B to order currency that it was not in fact willing to sell. I have carefully considered Mr B's argument that he and GCEN had both entered into a binding commitment in respect of the transaction, and that he is therefore entitled to damages for breach of contract.

I do not agree with Mr B's interpretation of the position. The message he received in respect of the transaction was that he had placed an order. I do not consider that this bound GCEN to provide the currency he had ordered.

So I am not persuaded that Mr B is entitled to the damages he has claimed. I would also observe that a significant part of his claim appears to relate to items (such as interest on money lending abroad) that would not be reasonably foreseeable in any event.

I do not regulate or supervise the financial services industry and so cannot fine or punish GCEN for the fact that a mistake was made. However, I accept that Mr B would not have taken any steps to continue with the transaction if GCEN had not made the initial mistake in advertising the currency as available on its website and then followed up with a message that thanked Mr B for his order. And Mr B would not have needed to raise a complaint.

As it is, Mr B has been put to an element of trouble in sending his payment to fund the transaction and then arranging for other funds to be made available as an alternative. I consider it fair that Mr B should receive some compensation to reflect that and I assess £100 as a reasonable and proportionate overall amount.

I note that GCEN has now told Mr B that it is unwilling to provide him with services going forward. I am not in a position to insist that GCEN continue to provide services to Mr B and I note that he has told us he intends using a competitor in future.

my final decision

My final decision is that Global Currency Exchange Network Ltd should pay Mr B £100.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr B to accept or reject my decision before 9 November 2015.

Jane Hingston
ombudsman