

complaint

Mr B complains that Barclays Bank PLC didn't use the exchange rate shown on its website when he received a payment converted from another currency. He says he lost a lot of money as a result.

background

In April 2015 Mr B received a substantial sum from an account in a non-sterling currency. He says the exchange rate Barclays used to convert the money to sterling was less favourable to him than that shown on its website. He says he received almost £300 less than he should have done as a result.

Mr B says that the terms and conditions provide that it will use its reference exchange rate to work out the exchange rate if it receives a payment in euro or another European Economic Area ("EEA") currency. And it says that the reference exchange rates are available on its website, among other places. So he says Barclays should use those rates for all payments received in euro or other EEA currencies. He comments that no guidance is provided about the rates used to convert payments from other currencies. But the only page on the website that refers to exchange rates shows rates more favourable to him than the rate used.

Our adjudicator didn't recommend that the complaint should be upheld. He said, in summary, that Barclays' website clearly stated that the prices were for indication only. He didn't think Barclays had given Mr B incorrect information or acted incorrectly.

Mr B is unhappy with the adjudicator's view. He says that the terms and conditions indicate that the website includes a page showing exchange rates. The page he's referred to is the only one relating to exchange rates, so he thinks it is misleading if those aren't the rates actually used. He says Barclays systematically add a margin to exchange rates, without making this clear.

my findings

I've considered all the available evidence and arguments to decide what's fair and reasonable in the circumstances of this complaint. Having done so, I've reached the same conclusion as the adjudicator, for similar reasons.

The currency from which the payment was converted wasn't euro or another EEA currency. So the provision in the terms and conditions about using the reference exchange rates to work out the rate to use didn't apply in this case.

I've looked at the webpage Mr B has referred to. At the top it says:

"The rates shown on this site are indicative, mid market rates intended for information purposes only; they are not intended for trading purposes. The foreign exchange rates used for the purposes of any transaction will be the rates available to you as a Barclays' customer, which in general differ from these mid-market rates. There may also be fees and charges."

I think that this wording made it reasonably clear that the rate Barclays would use when converting a payment wouldn't usually be the rate shown on the webpage.

The rates quoted on the webpage Mr B's referred to are the mid-market rates. These are the mid-point between the buying rate and the selling rate. So the selling rate is normally a few percentage points lower than the mid-rate. And the buying rate is normally a few percentage points higher than the mid-rate. This is common practice.

I should add that even if the payment had been converted from euros, the terms and conditions provided that Barclays would use the reference exchange rate to "*work out the exchange rate*". They don't say that the reference exchange rate will be the rate used.

It follows from what I've said that I don't find that Barclays was at fault in using the exchange rate it did to convert the payment Mr B received. So I can't fairly require it to compensate him.

my final decision

My decision is that I do not uphold this complaint.

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.

Juliet Collins
ombudsman