

## **complaint**

Mr B complains that when he uses his credit card to rent a car while abroad he's charged in Euros and has to pay a poor exchange rate when it's converted to Sterling by Bank of Scotland plc (Halifax).

## **background**

Mr B says that when he rents a car whilst abroad the merchant debits his credit card for the deposit in Euros. When the deposit is returned, the funds are returned in Euros but the exchange rate is worse. Mr B says this happens regularly and he recently lost around £150 because of the way his transactions have been processed.

Mr B raised a complaint and asked Halifax to refund the difference between what he paid and the refund he received. But Halifax didn't agree and said it had offered to raise a chargeback dispute with the merchant. Mr B didn't want a chargeback dispute to be raised as he's concerned it will impact his ability to rent a car in the future.

Mr B referred his complaint to our service and an investigator looked at it. The investigator didn't uphold the complaint as they felt Halifax had dealt with Mr B fairly. Mr B asked to appeal so his complaint has been passed to me to make a decision.

## **my findings**

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

I can understand why Mr B is annoyed. He's told us that when his deposit is refunded by a car hire company he loses out on the exchange rate. But, for the purposes of this complaint, I can only look at what Halifax has done and whether it's treated Mr B fairly.

As an example of the transactions involved, I've seen statements from February and March 2019. On 20 February 2019 Mr B was charged £1,397.43 by the car hire company. On 9 March 2019 a payment of €1,488 was received by Halifax and converted to £1,285.58. I can see there was a difference between the two figures and Mr B says he's lost out because of the way his transactions were handled.

I'm sorry to disappoint Mr B as I can see he received less back from the merchant. But Halifax was asked to make a payment of £1,379.43 on 20 February 2019, which it did. On 9 March 2019 Halifax received a payment of €1,488 from the car hire company and applied the exchange rate applicable that day. I appreciate Mr B says that he's been penalised because of the different currencies involved but that's not something Halifax has any control over. When it received funds for Mr B's account in Euros it had to convert them to Sterling in order to apply them. I'm satisfied that Halifax made the payment and applied the funds it received back in line with its instructions and no error was made.

Mr B has said that Halifax should be able to help him with this situation. He's told Halifax he doesn't want to raise chargeback dispute because it could impact whether he's able to rent a car in the future. But the chargeback system is the option card providers have where a customer disputes the services provided by a merchant. Outside of the chargeback scheme, Halifax has no way to dispute what happened or get Mr B a refund of the amount he feels he's lost. Halifax has no way to force a third party business to change the way it operates and acts on the instructions it receives when making and receiving payments. Whilst I don't doubt Mr B's concerns, I haven't found any evidence that Halifax has acted unfairly or failed to offer him reasonable assistance.

Mr B recently told us that he doesn't think he should have to contact Halifax to resolve problems each time he rents a car and returns from abroad. But, as I've said, Halifax can only act on the instructions it receives. If he asks it to make a payment to the car hire company it will do so. If the car hire company then returns funds to Halifax in a different currency, Halifax will convert them to Sterling at the rate applicable on that day.

As I haven't found anything to show Halifax made a mistake or treated Mr B unfairly I'm not telling it take any further action to resolve this complaint.

### **my final decision**

My decision is that I don't 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 19 September 2019.

Marco Manente  
**ombudsman**