

complaint

Mr T complains that Barclays Bank Plc used an unfair exchange rate for trading Australian dollars (AUD) into sterling and in commission for the exchange.

background

Mr T deposited a cheque for AUD 20,000 with Barclays in early December 2015. On 12 January 2016, it wrote to him to tell him the exchange rate it had applied and net amount in sterling credited into his account. Mr T says the rate used was too low.

Our adjudicator didn't recommend that this complaint be upheld. She concluded that Barclays had used the correct rate at the time of the transaction and its decision on what margin it set was a matter of commercial judgment.

my findings

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

Barclays has explained that the rate it offers comes from rates available to it on the interbank foreign exchange market. It has provided this service with a copy of "Retail Exchange Rates – Spot Transaction Rates Index for Transactions up to GBP 25,000 only" for 12 January 2016. This is used as a guide for the exchange rate Barclays may offer to its customers on the day.

Mr T has provided details of a rate of exchange from a third party website at the same time, but this was neither the buying nor the selling rate. There is a difference, or margin, in rates between buying and selling foreign currency. Here Barclays was selling Mr T's AUD so the rate it used was not the same as the interbank rate. I am satisfied that Barclays told Mr T the exchange rate that was available to him that day. I am also satisfied that Barclays is entitled to set its own rates for foreign currency based on market conditions. This is a matter of commercial judgement and one in which this service can't interfere. Barclays also says that at the point a foreign currency cheque is presented at a branch, it completes a "Cheque Collection and Negotiation Formset" before processing the cheque on its system. At that point it informs the customer of what charges may be incurred by the customer, for the exchange, which is typically between a minimum of £16 and a maximum of £40. Its terms and conditions of Mr T's account provide that it can make these charges.

On balance, I am satisfied that Mr T would have been informed, at the time of depositing the cheque, of the level of charges that would be debited before the funds in sterling would be transferred into his account. I appreciate Mr T is disappointed with the rate used, and the charges but I cannot agree these were unfair or that Barclays has done anything wrong.

my final decision

My final decision is that I do not uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr T to accept or reject my decision before 19 September 2016.

Janine Allen
ombudsman