

complaint

Mr C complains that Clydesdale Bank Plc has charged him for using his travel money card to withdraw cash from a foreign cash machine, despite being told he wouldn't when he took it out. Mr C wants to be refunded.

background

Mr C took out a travel money card, which he loaded with Euros. Mr C used the card abroad to withdraw cash from various cash machines without any problem.

But on one occasion he says the machine presented him with an exchange rate when he requested a withdrawal. He says the message wasn't very clear but he proceeded with the withdrawal. When Mr C checked the transaction on the card account online he says he discovered he'd been charged about €50 for it.

Clydesdale says Mr C must've chosen the option to pay in pounds sterling or '*local currency*' as it's sometimes referred to. It says these transactions are handled differently - the requested amount is converted into pounds sterling at a rate chosen by the machine. And the conversion also attracts a 3% charge.

It says it recommends the option to pay in the card currency, if presented with the option, to ensure no charges are applied and maximum benefit is gained from using the card. It says this is set out in its terms and conditions.

Mr C says he was persuaded to take out the card rather than simply take cash away with him. And says he was told there wouldn't be any fees for taking money out in cash machines abroad.

Our adjudicator didn't uphold the complaint. In summary she said the card performed as it was supposed to and as set out in the terms and conditions. So she couldn't ask Clydesdale to refund the fee or provide compensation.

Mr C disagrees, so the complaint's been passed to me to decide.

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'm sorry to disappoint Mr C but I think the adjudicator's come to the right conclusion here.

The terms and conditions Mr C agreed to by using his card set out how the card will work and any charges that might apply. This includes details of the circumstances in which a currency conversion charge might apply. And a recommendation that if a merchant or cash machine operator offers a choice of completing the transaction in either 'local' or 'card' currency, that the 'card' currency option is chosen to get the maximum benefit from the card.

But Mr C says he was told there wouldn't be any charge for taking money out abroad. And in the main that's right. But it appears that in *some* instances the foreign cash machine operator effectively treats the balance on the card as being in pounds sterling rather than Euros. This then triggers a currency conversion and a conversion fee. And this is what happened in Mr C's case.

But I think this is more about the operational differences of the foreign cash machine rather than the operation of the currency card account.

For example the terms and conditions indicate the foreign cash machine might provide a choice of how to deal with the transaction – either local or card currency. But in this case Mr C says he was confused by the message the machine gave. So it seems this choice might not always be clear, or given at all in some cases.

But I don't think it's fair to say Clydesdale's at fault here. The card operated as it was supposed to. It's the operation of the foreign cash machine that's the issue. And this isn't something I can fairly say Clydesdale should be responsible for.

But should Clydesdale have done more to highlight this point?

I don't think it did. It appears this issue arises in *some* instances and not all. For example Mr C used his card to withdraw cash from different machines abroad prior to this withdrawal without any currency conversion happening or any confusion. So it doesn't appear to be a widespread issue or which might impact a large number of people.

Because of this I don't think it was necessary for Clydesdale to have specifically highlighted the relevant term to Mr C over and above the other terms and conditions of use of the card.

I can understand Mr C's frustration with this matter. But because the card worked as it was supposed to - and as set out in the terms and conditions Mr C agreed to - I don't think it's fair in this case for me to tell Clydesdale to refund the charge he incurred.

my final decision

For the reasons I've set out above, I don't uphold this complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr C to accept or reject my decision before 6 November 2015.

Paul Featherstone
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