



## Case study: Banking / Credit

### Exchange rate misunderstanding

Themes: foreign exchange, customer service, different versions of events, verbal representations made by bank staff

This complaint concerned the rate applied to a foreign currency exchange transaction. Mr W said he lost money when the bank provided misleading information about the exchange rate he would receive when he bought Canadian Dollars with Qatari Rials.

Mr W originally telephoned the bank to enquire about the exchange rate for buying Canadian Dollars with Qatari Rials. He was given a rate over the telephone and was told that the transaction had to be completed by visiting the branch, which Mr W did later the same day.

At the branch, Mr W asked about the exchange rate he would receive. He was not given a rate in the bank's branch but was assured by the customer service representative that the exchange rate was "in the system". Mr W made the transaction but subsequently discovered when he received his account statement that he had been charged a significantly higher exchange rate. This meant the exchange cost over 30,000 Qatari Rials (roughly equal to £6,000) more than he was expecting.

Mr W complained to the bank, which said that it was satisfied the rate quoted over the telephone was indicative only and that its staff in the branch had followed correct procedure. The bank offered him approximately 15,000 Qatari Rials (roughly equal to £3,000), which was half of the disputed amount. Dissatisfied, Mr W referred his complaint to us.

We asked the bank for documentation relating to the foreign exchange transaction. We saw the relevant form Mr W had completed in the branch for this transfer. The form included a space for the exchange rate, but that space was empty. We also listened to a recording of the prior telephone call Mr W had with the bank, when he was told he should complete the foreign exchange transaction at a branch.

We felt that the bank had not given Mr W enough information about the actual exchange rate used in the transaction. He had enquired about the rate over the telephone, been quoted a rate which he was prepared to accept, attended the branch to complete the purchase, and had sought to confirm the exchange rate in the branch. In our view, under the circumstances there was nothing else Mr W reasonably could have done to complete the transaction and be assured of the exchange rate received.

We concluded that the bank should reimburse over 30,000 Qatari Rials to Mr W's account, which was the full amount Mr W was seeking and equal to the difference in amount received due to the different exchange rates. We shared our initial view with the parties. The bank agreed to pay the full amount.