



Case study: Banking

COMPLAINANT INCURS EXCHANGE RATE CHARGES WHEN TAKING BANK'S ADVICE

Themes: Call log; exchange rate fees; terms and conditions; distress and inconvenience.

This complaint relates to a bank that instructed a complainant on how to close a local bank account and transfer the funds overseas without incurring exchange rate fees.

In March 2022, Mr H wanted to close his bank account with a local bank and transfer the account balance to a new overseas bank account. Mr H contacted his local bank by telephone to request advice on what was the best way to do this. Mr H's bank advised that in order to avoid any exchange rate fees Mr H should ensure his new overseas bank account could receive funds in sterling and then send an account closing instruction.

In May 2022, Mr H opened an overseas bank account that could accept funds in sterling and sent an authorised account closing instruction to close his local bank account and transfer the funds to his new overseas bank account. Unfortunately, Mr H was charged approximately £2,200 in exchange rate fees when he made the transfer. Mr H made a complaint to his local bank as they had provided the original advice over the telephone on how to avoid any exchange rate fees, but Mr H's local bank rejected his claim as they were unable to locate the recorded telephone conversation where Mr H had been given the advice by his local bank. Mr H referred his complaint to CIFO.

CIFO investigated and listened to a number of calls between Mr H and his local bank at the time. However, the telephone conversation that would provide the confirmation that Mr H had been given this advice by his local bank was missing. CIFO did note that Mr H had opened a new overseas sterling bank account after having conversations with his local bank. CIFO also noted the Mr H had confirmation that a call with his local bank had taken place on the day he had received the bank's advice. In light of this, Mr H's local bank offered to refund the loss Mr H had incurred. CIFO therefore upheld the complaint and not only recommended compensation for the exchange rate fees but also a £500 distress and inconvenience award. Mr H's bank complied and compensated Mr H approximately £2,700 in full and final settlement of Mr H's complaint.