

The complaint

Mr Z complains Barclays Bank UK PLC charged too much for a payment he made.

What happened

Mr Z wanted to send a payment in Euros and used a money transfer company, which I'll refer to as A, to complete the payment. Mr Z paid for the transfer by card. But something went wrong with the transfer and A refunded Mr Z's payment.

Mr Z made a second card payment to A a couple of days later. This second payment wasn't refunded.

Mr Z then saw he'd received less money back as a refund than he'd initially paid. Mr Z paid £2,692.12 to A but was only refunded £2,499.44. Mr Z contacted Barclays and asked it why he'd lost over £160.

Barclays told Mr Z the card scheme had applied the charges, so Mr Z called them. The card scheme is not based in the UK, and Mr Z was charged for making an overseas call.

The card scheme told Mr Z it hadn't applied any charges. Mr Z then complained to Barclays. Barclays responded to say it had applied charges to Mr Z's card payment in line with the terms and conditions of Mr Z's account. The charges were for making a payment on a card in a different currency.

Barclays also explained Mr Z's refund had been smaller than the amount debited because of an exchange rate loss. And Barclays had applied charges for the payment being in a different currency.

Barclays also acknowledged Mr Z had been given the wrong information when he was told to speak to the card scheme. Barclays apologised for this poor service and said it would be providing feedback to the adviser.

Mr Z brought his complaint to this service and an investigator looked into things. The investigator thought the charges applied to Mr Z's card payments were fair as they were laid out in the terms and conditions.

The investigator included some calculations to show the amounts Mr Z paid, and received as a refund, looked correct. The investigator didn't think Barclays needed to do more to resolve this part of Mr Z's complaint.

But the investigator thought Mr Z had lost out when he was told to call the card scheme. The card scheme is based overseas, and Mr Z was charged for the call. Mr Z said the charges were £10.50 and the investigator thought it would be fair for Barclays to refund this amount.

Barclays agreed with this outcome, but Mr Z didn't. Mr Z still felt Barclays should refund the charges and losses he'd incurred.

Mr Z also looked through the terms and conditions of his account and saw Barclays now needs to notify their customers about overseas payments. Mr Z says if he'd known in advance what the charges were, he'd have made the payments another way.

Mr Z asked for an ombudsman to decide things.

What I've decided – and why

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

Barclays' terms and conditions state a 2.99% Non-Sterling Transaction Fee will be applied to debit card transactions made in a currency other than Sterling. When Mr Z paid A by debit card the payment, and the refund, was completed in Euros.

I'm satisfied the charges applied were applied in line with the terms and conditions. Because of this, I don't think Barclays needs to refund any of the charges.

Mr Z said payments overseas have a different, much lower charge. But Mr Z didn't make a payment overseas, he used his debit card to make a transaction. I don't think the cost of an overseas payment applies to the payment Mr Z made to A.

I realise Mr Z was charged a fee three times, once for the initial payment to A, once for the refund and again when Mr Z made the second payment to A. But the payments made from, and to, Mr Z's card weren't in Sterling, so I think Barclays can apply the fee to each transaction on his card.

Mr Z has said Barclays must now message consumers when a payment is made in another currency, and this is correct. But this message is sent after the payment's been made. Mr Z doesn't have an option to cancel the payment following the message. So I think Mr Z would always have made the first payment to A by card.

Barclays has said it sent a message but has no proof of this. I think it's likely a message was sent, but even if it wasn't, I still don't think Barclays needs to refund any of the charges.

The message Mr Z would have received would show what the total amount debited in Sterling was, it wouldn't have shown any fees applied. The message should also show what the exchange rate for the entire transaction was.

Mr Z couldn't make the second payment to A until after he'd received the refund. I think it's likely Mr Z had seen the amount he'd been debited, and refunded, when he made the second payment to A. But Mr Z still made the second payment to A by card.

Since Mr Z made the second payment by card, it's fair to assume Mr Z was, at the time, happy to make that payment by card.

I understand Mr Z says he wouldn't have made the payment again if he'd known about the charges. But the message from Barclays wouldn't have told Mr Z about the charges, just the total amount debiting his account.

I think Mr Z already knew the information that would have been in any message from Barclays when he made the second payment, but he made it anyway. So I don't think Mr Z would have made the decision to pay another way whether he received the message from

Barclays or not.

Mr Z also complains he received less money back when he was refunded by A. Some of this loss was the fees Barclays applied, but some was an exchange rate loss.

When Mr Z paid A the rate for buying Euros was used. When A refunded Mr Z the rate for selling Euros was used, and these rates aren't the same. There's generally a variance between the buy and sell rates for foreign currency, so I don't think Barclays was wrong to apply slightly different rates for the payment and the refund.

It wasn't Barclays' fault A couldn't complete Mr Z's transfer and made a refund to his card. I don't think it would be fair to hold Barclays responsible for an exchange rate loss that wouldn't have happened had A been able to complete Mr Z's transfer the first time around.

And had A been able to process Mr Z's initial transfer, he wouldn't have incurred a further two Non-Sterling Transaction Fees, one for the refund and one for the second payment.

But Barclays did give Mr Z incorrect information. Instead of telling Mr Z the fees had been applied by Barclays, it directed him to the card scheme.

Putting things right

I'm satisfied Mr Z called the card scheme because Barclays told him to, and this wasn't a call he needed to make. And I'm satisfied there were likely to be additional charges for this call. Mr Z says the call cost £10.50, so it's reasonable Barclays refunds this amount.

My final decision

My final decision is I uphold Mr Z's complaint in part. Barclays should pay Mr Z £10.50 to cover the cost of the call he made. But I don't think Barclays needs to do anything else to resolve the other parts of Mr Z's complaint.

Under the rules of the Financial Ombudsman Service, I'm required to ask Mr Z to accept or reject my decision before 7 July 2022.

Chris Russ

Ombudsman