

The complaint

Mr and Mrs P complain that Barclays Bank UK PLC failed to give them clear information and that they had to pay unreasonable bank charges when processing their foreign currency cheques.

What happened

In September 2023 Mr and Mrs P presented six cheques for payment to Barclays, These were split into three payment slips, two of the cheques being in Canadian Dollars (CAD), the other four cheques in US dollars (USD). Mr and Mrs P received notification that the CAD cheques, totalling CAD964.69, had been paid. The letter said that the net amount received was CAD528.18, After deducting commission of CAD28.33 (later updated to CAD27.99) and converting to GBP, Barclays paid Mr and Mrs P £293.82. It subsequently informed Mr and Mrs P that a cheque for CAD330.51 (included in the total) had been paid in full.

Mr and Mrs P's complaint concerns the information given to them by Barclays about this latter payment. Firstly Mr P pointed out that the letter set out a total payment adding together the two cheques. It didn't explain why CAD106 had been deducted nor why the total amount received didn't include the other cheque. Mr P further complained that after speaking to the International Cheques team, he was given a number to speak to the complaints team. When he used that number, he was kept waiting on the phone for 26 minutes then told he had rung the mortgage advice line.

In its response Barclays said it had received the net amount from the "relevant bank" which had taken their charges out before passing on the balance to Barclays. It said it couldn't identify the call where the wrong details for contacting the customer complaints team were given. And it said that it didn't control the queue time.

On referral to the Financial Ombudsman Service, our Investigator said that Barclays hadn't set out the information clearly to Mr and Mrs P or explained it, leading them to escalate their complaint. He proposed that Barclays pay compensation of £50.

Barclays didn't agree. It said that as it hadn't made an error, a simple apology would suffice, and that: *"Although we have details of the overseas Bank charges deducted, we don't feel it to be fair and reasonable for us to be expected to share information about these which were levied by the sending Bank."*

Mr and Mrs P didn't think the compensation proposed was sufficient and thought that the bank charges were ridiculously punitive, and should be refunded.

The matter has been passed to me for an Ombudsman's consideration

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.

I believe Mr and Mrs P understand why the cheques were paid at different times and that Barclays had no control over this. Also that this meant different exchange rates applied according to the dates the cheques were paid. So I won't go into those matters.

It's the deduction of CAD106, and Barclays' subsequent response about it that have caused Mr and Mrs P to complain to this Service. The initial letter advising about this set out the charges as follows:

The heading to the letter set out:

Amount CAD964.69

Charges CAD27.99

Then in the body of the letter the following:

Net Amount Received: CAD528.18

Our Commission CAD28.33

Exchange Rate 1.7048

Net Proceeds: £293.82

I understand that cheques in excess of CAD500 attracted the charges. Banks do need to be transparent about their fees. In my view Mr and Mrs P should have been told when they deposited the cheques that Barclays would charge commission for cheques over CAD500 and that the receiving bank would also charge. Barclays has provided a breakdown, on a confidential basis, of the receiving bank's charges. Whilst I don't understand why this is confidential, nevertheless this is information provided by another Bank so I can't break that confidentiality.

But I still think the letter is inadequate as it didn't explain that the charges only relate to the higher value cheque, that the lower value cheque would be paid in full, and didn't explain the deduction from the receiving Bank. Whilst Barclays didn't have to break down those charges it could have set out what they were in total and explained it had no control over them. It said in its final response letter that "*the charge had already been taken out by the relevant bank before sending us the net amount of CAD 528.18. Therefore there's no bank error.*"

As regards the customer service elements of Mr and Mrs P's complaint, I don't doubt Mr P's assertion that he was given the wrong number and then was kept waiting on the phone for over 25 minutes. However he did say that the adviser he spoke to gave him the correct email address for him to send his complaint to. I think that Barclays was rather dismissive in its final response letter when it said "*..we don't control the queue time and can't justify any bank error.*" People do get frustrated if they have to wait a long time to get through on the phone, especially if that time is then proven to have been wasted. I think Barclays could have been more understanding in this respect.

Overall, although Barclays may have been right to say that it hadn't made any errors, I do think that its information on charges was unclear and it didn't really explain properly what the CAD106 deduction was for. I appreciate that Mr P believes that Barclays is responsible for the receiving bank's charges. But I don't think that is the case so I can't ask Barclays to repay that figure. As regards compensation, I understand that Mr and Mrs P have strong feelings about this, but I do think that the £50 put forward by our Investigator is a fair and reasonable resolution of this matter. This is in line with awards we've made in similar cases.

Putting things right

Barclays should pay Mr and Mrs P £50 compensation.

My final decision

I uphold the complaint and require Barclays Bank UK PLC to provide the remedy set out under “Putting things right” above.

Under the rules of the Financial Ombudsman Service, I’m required to ask Mr and Mrs P to accept or reject my decision before 12 September 2024.

Ray Lawley
Ombudsman