

complaint

Mr J complains Bank of Scotland plc (trading as Halifax) applied non-sterling transaction fees to debit card payments he made abroad without telling him.

Background

Mr J spends six months of the year abroad. He says he only found out last year that Halifax charged him a fee of 2.75% each time he used his debit card for a non-sterling transaction. And he didn't know about this because the fee was "hidden" within the currency exchange as it appeared on his statement. He says if he had known he would have made other arrangements to avoid the charges.

Halifax says the charges are set out in the account terms and conditions. And Mr J would have received these, as well as a leaflet explaining charges, when he opened the account. The bank accepts it has changed the way the charges appear on Mr J's statements. But says it did so last year to make them more transparent. And all his charges have been properly applied.

Our adjudicator didn't recommend the complaint should be upheld. She says Halifax told Mr J about the charges when he opened the account and in its terms and conditions. So she was satisfied they had been properly notified and applied.

Mr J says the bank didn't do enough to make overseas customers aware of these charges. And he wants Halifax to refund them with interest and pay compensation.

my findings

I have considered all the available evidence and arguments to decide what is fair and reasonable in the circumstances of this complaint. I have come to the same conclusions as our adjudicator for much the same reasons.

In 2013 Halifax changed the way it displayed charges for non-sterling transactions, in line with a recommendation from the Office of Fair Trading. So fees previously included within the transaction were shown separately. Mr J says he didn't know about these charges before that. And if he had he wouldn't have used the card abroad in the same way.

Halifax has provided a copy of the account terms and conditions. These say *"when you use your ...debit card abroad ...the exchange rate we use to convert the amount to sterling will include a conversion fee of 2.75%"*.

So I'm satisfied the bank was entitled to apply the charges. And I can't reasonably find Halifax didn't notify Mr J about them as they are set out in the terms and conditions – displayed reasonably prominently under the heading *"things to note"*.

I appreciate Mr J considers this wasn't enough notice. And Halifax should have done more to alert him to the charges – because he spends half of the year abroad so he incurred more than average.

But customers have an obligation to monitor their own accounts. I'm satisfied that if Mr J had compared his purchase receipts against transactions on his statement he would have

noticed the additional 2.75% charged by Halifax. And I'm not persuaded the bank had an obligation to send Mr J additional notification because he spends more time abroad.

I appreciate Mr J says he couldn't look at the bank's website regularly or access his paperless statements frequently - as he had limited internet access while he was away. But I'm satisfied Halifax made the information available to him. So I can't fairly conclude the bank has done anything wrong.

my final decision

My decision is that I do not uphold this complaint. Under the rules of the Financial Ombudsman Service, I am required to ask Mr J to accept or reject my decision before 30 December 2014.

Claire Jackson
ombudsman