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Financial Regulator Examines Foreign Exchange Charges

The Financial Regulator has conducted a nationwide examination of foreign exchange charges being imposed by credit institutions and bureaux de change for retail foreign exchange transactions. This examination was carried out through a mystery shopping exercise to confirm whether these providers of foreign exchange facilities imposed these charges in accordance with approved relevant legislation.

One hundred outlets of nine foreign exchange providers (five credit institutions and four bureaux de change) were visited as part of the exercise. The survey focussed primarily on the costs imposed by these financial service providers on consumers when converting euro denominations to Sterling and US Dollars and also when converting these currencies to euro.

The findings showed a high level of compliance among foreign exchange providers. Where issues were identified, the Financial Regulator is following up with the relevant institution to ensure these issues are addressed in an appropriate and timely manner. The issues identified included:

- Foreign exchange rate boards were either not on display, not clearly visible or were not being regularly updated to reflect current exchange rates;
- The commission associated with a transaction was not disclosed to the consumer in advance.