



AUSTRALIAN COMPETITION
& CONSUMER COMMISSION

Transparent pricing of foreign currency conversion services

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Do you supply foreign currency conversion services (FX services) to individual consumers or businesses? This quick guide shows you how you should disclose the price of those services to your customers.

What we found

In the [foreign currency conversion services inquiry](#) (the inquiry), the ACCC found it can be challenging for consumers to make informed decisions about FX services because:

- prices are complex
- prices are presented in different ways
- prices lack transparency.

We consider improving price transparency will support price competition by making it easier for consumers to seek out the cheapest suppliers.

Does this apply to me?

This may apply to your business if you supply FX services such as international money transfers (IMTs) or foreign cash transactions. You should consider how to implement the best practice guidance in your business.

Best practice guidance

To address findings made in the inquiry, we issued best practice guidance to assist businesses supplying FX services to improve how prices are presented to consumers.

International money transfers

If you supply IMTs, you should:

- disclose the total price of an IMT up-front to customers, including any correspondent banking fees
- provide digital tools showing the total price of IMTs, including the currency conversion and all fees that will affect the total price. These digital price tools should be easy to use, show the total amount that will be delivered to the recipient, and be customisable to your customer's intended IMT value and destination.

If IMTs involve fees or charges that are unknown to you at the time you supply the service to your customers, you should use relevant information you hold, such as transaction data, to estimate unknown fees and provide the best estimate you can.

Many suppliers already make such price tools available to consumers. If you already do so, you should:

- continue to refine these tools to ensure they are user-friendly and reflect the total price of the transaction
- make these tools available to prospective or new customers to allow comparisons between suppliers. This includes allowing consumers who are not existing account holders to access your price tools.

If you offer a preferential price to certain customers, and you are concerned that those customers may be confused by a tool that shows a generally available price, you can include a statement to the effect that customers should log in to receive a customised rate. This should be included at the same location as the price tool.

There are developments occurring in the industry to make correspondent banking fees more certain for both IMT suppliers and consumers. Some suppliers have decided to absorb the correspondent banking fees after the consumer pays an up-front fee. This enhances price transparency.

Foreign cash

If you supply foreign cash, you should ensure that you provide price information in a way that will enable consumers to understand the total price of foreign cash transactions.

This could be achieved by:

- making a digital tool available to compare the total price in-store
- publishing, alongside any 'consumer buy rates', the total price to purchase the equivalent currency, for example: AUD500 of the given currency. To the extent that the proportion of fees changes from AUD100 to AUD500, you should publish the total price to purchase both amounts.

If you offer your foreign cash services online, you should also make an online calculator available which calculates the total price, inclusive of the currency conversion and all fees.

What if I don't comply?

We will be monitoring uptake of our guidance and will consider enforcement action where appropriate.

In our view, the inadequate disclosure of prices, including correspondent banking fees, may mislead consumers and contravene the Australian Consumer Law. We expect suppliers to clearly and prominently disclose the total price of FX services to consumers up-front. Should an IMT supplier not be able to inform consumers of the total price up-front, we expect suppliers to prominently disclose reasonable estimates of all additional fees along with a warning that there may be additional fees.

Contact us

We have put industry on notice in relation to the presentation of prices for FX services and will continue to monitor take-up of the recommendations in our guidance.

If you have concerns with the way a business is presenting its prices for FX services, you can [report these issues online](#).

More information

For more information on the study, including to read the final report and the best practice guidance in more detail, you can visit [our website](#).