

[REDACTED]
[REDACTED]
[REDACTED]
19 October 2018

Chairman
Australian Competition and Consumer Commission
23 Marcus Clarke St.
Canberra ACT 2601

AUST. COMPETITION &
CONSUMER COMMISSION

19 OCT 2018

CANBERRA

Foreign Currency Conversion Services Inquiry

I wish to make a brief submission to the above Inquiry.

For the last 15 years, I have been receiving small transfers from the USA for work I do for the World Bank, based in Washington. The funds have always been transferred into my [REDACTED] account and I have often been annoyed by the level of charges and poor exchange rate they give.

They charge a \$15.00 fee, which is probably Ok, but the exchange rate is what really annoys me. A footnote in small print on the Bank's Transaction Advice says:

'the exchange rate quotes may reflect a composite rate if multiple Forward Exchange Contracts have been used to convert the amount received to the Australian Dollar equivalent value.'

See Attachment A.

Eventually, on 12 July 2017, I checked with another Bank I deal with and asked what rate they would apply. It was about 4.5% better than I had been given by [REDACTED]. I then wrote to [REDACTED] asking them to provide a numerical clarification of how they had calculated the rate I had been given.

See Attachment B.

I received no reply before 12 October so wrote again. **See Attachment C.** I received a written email response on 16 October (**See Attachment D.**) telling me I would receive a call from a member of the bank's staff. I received such a call on 17 October but told the caller I wanted a written response to my letters. The caller asked me what the original document had said about how the rate was calculated and I told him it had given no details at all. He said they had no record of my correspondence and asked me to send him a copy of the original documents. I gave him the transaction reference number and told him to get a copy for himself from Bank records.

On 20 October 2017, I got the response shown at **Attachment E.** In that response, I was told the rates I had been given were:

'Based on [REDACTED] current market value of the currency involved, which changes daily.'

This was quite a different explanation to that given on their Transaction Advice, and still did not result in me getting the numerical explanation I had asked for. The response added that the Bank's rates were available on their website but getting historical rates from that site is very difficult and the Transaction advice usually arrives in the post some week or so after the funds are paid into the account. What upset me most was that the response of 20 October included the statement that 'We now consider this matter finalised'. I had received a very blunt 'get s*****ed' from the [REDACTED]

In response, I wrote to [REDACTED] on 31 October 2017, reiterating my concerns and restating my request. See **Attachment F**. I have had no response: apparently they meant what they said when they told me to go away and stop bothering them

In answer to your question of why don't I change bank, the answer is that the agency sending me the funds say they need the receiving bank to have a 'corresponding bank in the USA' and [REDACTED] says this is not necessary and they do not have any such corresponding bank.

All I wanted from [REDACTED] was an understanding of how the exchange rate was calculated, but they either could not or would not provide it. It is interesting to note that the rate they give is always in the Bank's favour and, if it was based on forward exchange contracts as they first said (and still say on their Transaction Advice), you would think it would sometimes be in the customer's favour. Either that or they are always making bad bets in purchasing their forward contracts. Am I paying for incompetence?

Please help me by trying to get to the bottom of what is going on. Are they just ripping me off?

Yours sincerely

[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

Dear Sir/Madam

[REDACTED]

I write about the exchange rate I was given on 2 recent payments I received from the USA. I attach copies of the documents for your information.

I note the asterisk on the form that effectively makes it impossible for me to check the rate I have been given, but wonder what it means and **would like numerical clarification** of how it was calculated on each occasion. After the first of these payments, I contacted my other bank, [REDACTED] and asked what rate they would have given me. You will see from my note on the form that they would have given a much better rate and, in effect, paid me 4.26% or \$1556.00 more. I have not done the same for the second receipt but, if it is calculated in a complicated way as you suggest, it is amazing that it works out to be exactly .8000.

The exchange rate of US\$ has been 75 – 76.5 cents for weeks, yet you pay at a rate of 78.55 on 23 June, then 80 cents on 30 June. How can this be?

I look forward to your written response.

Yours sincerely

[REDACTED]

12 July 2017

Rang on 11 Sept: Girl had to check what org. she was answering for.
She was located in Manila.
I thanked her and hung up.



[Redacted]
[Redacted]
[Redacted]
[Redacted]

Dear Sir/madam



I wrote to you on 12 July 2017 with a complaint and have no response. Is such a time delay normal for your attitude to customers' queries? A copy of my original correspondence is attached.

Since I wrote 3 months ago, I have had at least three further transfers of funds from the USA and now want the exchange rates I was given on those occasions also covered in the numerated response I expect to receive very soon.

If I do not get such a response within a month I will send copies of this documentation to the Financial Ombudsman Service and ASIC that I understand will be interested in my attempts to get answers relating to your charges.

Yours sincerely



12 October 2017

[REDACTED]

From: [REDACTED]
Sent: Monday, 16 October 2017 12:07 PM
To: [REDACTED]
Subject: [REDACTED]

[REDACTED]

16 October 2017

[REDACTED]

Thanks for taking the time to contact us.

If your matter requires follow up or investigation, a Complaints Consultant will work with the relevant areas within [REDACTED] to provide you with a resolution. If they have not done so already, the Consultant assigned to assist you will be in contact if we require more information to resolve the matter and when we have a resolution to offer you. Where we are required or at your request, we will provide the resolution in writing.

You can call us directly at the [REDACTED] on [REDACTED] regarding the matter you have raised. We're available Monday to Friday, excluding national public holidays, 8am to 7pm AEST/AEDT. If overseas you can call [REDACTED] and ask to be transferred to the Complaint Resolution Centre. If calling through the International Operator, [REDACTED] will accept the reverse charge.

Kind regards

[REDACTED]

Note: If the matter you have raised relates to your credit report, we will consult any other credit providers or credit bureaus relevant to the matter, and we will communicate the outcome to you in writing.

[REDACTED]

Received phone call on 17/10 fro
Taxes, H.O. Donklands, Melbourne
Told him I want written response
mailed to me.

[REDACTED]

[REDACTED]

20 October 2017

[REDACTED]

[REDACTED]

Thanks for getting in touch. It's always helpful to hear what our customers have to say about our products and services, so we appreciate you taking the time to let us know about your experience.

My understanding of your concern is

You are unhappy with the rate at which incoming international transfers have been exchanged.

You request [REDACTED] to provide the rates of exchange applied to the incoming payments and how these rates were calculated.

What we've done about this

Thank you for the opportunity to investigate this matter and respond to your concerns.

As requested please see the list of incoming international transactions in AUD and the exchange rates applied:

- 23 June 2017 - \$36,609.51 - Exchange rate 0.7855.
- 30 June 2017 - \$1,450.25 - Exchange rate 0.832198.
- 7 September 2017 - \$2,566.68 - Exchange rate 0.832198.
- 14 September 2017 - \$4,906.78 - Exchange rate 0.831000.
- 27 September 2017 - \$4,965.52 - Exchange rate 0.821199.

I confirm each of the above transactions attracted a \$15.00 AUD processing fee.

Rates of exchange are calculated based on [REDACTED] current market value of the currency involved, which changes daily.

These rates are available on our website [REDACTED]

I am sorry that you are unhappy with the rate at which your incoming transactions were processed.

Any questions?

We now consider this matter finalised, but if you have any further questions please call us at the [REDACTED] [REDACTED]. We're available Monday to Friday, excluding national public holidays, 8am to 7pm AEST/AEDT. If overseas you can

[REDACTED]

call +613 9683 7043 and ask to be transferred to the [REDACTED] If calling through the International Operator [REDACTED] will accept the reverse charge.

Other options

If you are satisfied with the outcome of your complaint, you don't need to do anything further.

If your complaint has not been resolved to your satisfaction, you may request that [REDACTED] Customer Advocate review your complaint and attempt to reach a resolution that is fair to you and [REDACTED]. The Customer Advocate operates separately from [REDACTED] businesses and reports to the Group Executive (Australia). You can contact the Customer Advocate via:

[REDACTED]

Alternatively, you do have the right to raise your concern with the Financial Ombudsman Service (FOS). You may contact FOS via the below details. [REDACTED] Your Feedback brochure provides details further information about who you may ask to review your concerns – if you need to. In order to meet FOS timeframes, you must refer your complaint to FOS within two years of our response.

Mail: Financial Ombudsman Service Australia, GPO Box 3, Melbourne VIC 3001
Phone: 1800 367 287
Email: info@fos.org.au

Should you wish to access this brochure electronically, please visit the link below:

[REDACTED]
[REDACTED]

Regards

[REDACTED]
Complaint Resolution Centre

[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]
[REDACTED]
[REDACTED]

[REDACTED]

Thank you for your letter dated 20 October which I received today, but it provided very little new information and did not attempt to provide the 'numerical clarification' I had requested on how the [REDACTED] arrives at the exchange rates it applies to customers' transactions.

My original reason for writing on 12 July 2017 was to ask why, when the exchange rate provided in the financial press for \$ US was about 75-76.5 cents, I was charged at a rate of 78.55c. I specifically asked for numerical clarification because all the Transaction Ref No dated 23 June 2017 told me was that:

'The exchange rate quoted may reflect a composite rate if multiple Forward Exchange Contracts have been used to convert the amount received to the Australian Dollar equivalent value'.

Clearly, it is not possible for customers to verify the rate they are given. Advice I had received from my other Bank, [REDACTED], was that on 23 June, their exchange rate would have been 75.34c, giving me a return of 4.26% more.

In your recent letter, effectively all you did was confirm what rates I had been given for a series of transactions (one of which differed from what I had received), with an explanation that:

'Rates of exchange are calculated based on [REDACTED] current market value of the currency involved, which changes daily'.

What did this tell me? Why was the explanation different to that on the Transaction Ref No? Do you really think it answers my question and justifies your statement that 'We now consider this matter finalised' (page 1 last para.).

As you suggested, I searched the [REDACTED] web site and was able to find exchange rates, but only for the day of the search. With information on what exchange rate I have been given arriving by mail up to 10 days after the deposit into my account, the rate on the day the mail arrives is of little help.

Please provide a numerical clarification of how the exchange rates I am given are calculated.

[REDACTED]

31 October 2017