



FINANCIAL REGULATOR
Rialtóir Airgeadais

PO BOX 9138
College Green
Dublin 2
T +353 1 410 4000
F +353 1 410 4900

10 December 2007

Foreign Exchange Mystery Shop

In June 2007 the Financial Regulator conducted a nationwide survey of foreign exchange charges being imposed by credit institutions and bureaux de change on consumers for retail foreign exchange transactions. The purpose of the survey was to confirm whether these providers of foreign exchange facilities imposed these charges in accordance with relevant legislation.

The Financial Regulator visited a total of 75 outlets of 10 foreign exchange providers (5 credit institutions and 5 bureaux de change). The survey focused primarily on the costs imposed by these financial service providers on consumers when converting euro denominations to Sterling, US Dollars, Polish Zloty and Czech Koruna and conversely when converting these currencies to Euro.

Overall the findings showed a high level of compliance among foreign exchange providers. Where issues were identified, the Financial Regulator has followed up with the relevant institution to ensure these issues were addressed in an appropriate and timely manner. These issues 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; and
- In a small number of cases the margins being imposed marginally exceeded what the service provider was entitled to impose and in these instances the Financial Regulator has ensured that the relevant firms have not benefited as a result (in line with our General Principles in relation to charging issues).