

HIDDEN FEES

UNITED KINGDOM

October 2024

 **wise**

What's the purpose of this report?

According to the Cross-Border Payments Regulation, onshored in the UK post-Brexit, providers need to inform a customer “prior to the initiation of the payment transaction, in a clear, neutral and comprehensible manner, of the **estimated charges for currency conversion services** applicable to the credit transfer”.

This report shows that despite these rules, **banks still hide the bulk of the cost of a transfer in an inflated exchange rate**. The rate they offer their customers is much worse than the rate you see on Google.

In addition, domestic payments in GBP cannot be cheaper than the corresponding payment to EUR. This resulted in most providers making GBP-EUR payments ‘free’ (i.e. no upfront fee), while still charging both an upfront fee and an exchange rate mark-up for payments to non-EU countries. You'll find the payments flows for GBP-EUR payments as well as GBP-USD, to showcase the difference.

In conclusion, there are two consumer problems:

- Fees hidden in inflated exchange rates
- Comparison based on received amount is impossible for payments to non-EU countries as the upfront fees are added on top of the sent amount, inflating received amount.












GBP →

EUR £ → €

Are banks in the United Kingdom transparent about their fees?



Sending 1,000 GBP → EUR

Company	Markup	Markup fees	Transparency rating
 NatWest	2.49%	£30 hidden fee	●
 BARCLAYS	2.8%	£33.43 hidden fee	●
 LLOYDS BANK	3.6%	£42.76 hidden fee	●
 HSBC	3.5%	£42.11 hidden fee	●
 TSB	3.56%	£35.60 hidden fee	●
 Santander	3.36%	£38 hidden fee	●
 HALIFAX	3.6%	£42.20 hidden fee	●
Revolut (week)	0.19%	£2.30 hidden fee	●
Revolut (weekend)	0.14%	£1.70 hidden fee	●
 Starling Bank	0%	No hidden fee	●
 monzo	0%	No hidden fee	●

NatWest

Sending 1,000 GBP → EUR

- **2.53%** exchange rate mark-up **still** isn't communicated as a cost.
- **£0** handling fee creates impression cost = zero.
- Natwest exchange rate is presented as **the** exchange rate.
- Cost of transaction is **unclear**.

	Mid-market exchange rate	NatWest exchange rate	Hidden markup fee	Stated transaction fee	Real total cost	Transparency rating
	1 GBP = 1.2007 EUR	1 GBP = 1.1707 EUR + 2.49%	£30.00	£0.00	£30.00	

Where NatWest hides it?

2.48% exchange rate mark-up still isn't communicated as a cost.

Natwest exchange rate is presented as **the** exchange rate.

You can enter the amount you'd like to send, or the amount you'd like the payee to receive. Fees may also apply.

You send
£1,000.00 GBP

Payee gets - estimate
1,170.71 EUR

1.00 GBP = 1.1707096 EUR (guaranteed rate for 20 minutes)

Payment type
Standard - Same business day (before 2pm) ✓

Fees
You only pay our fee ✓

Message Optional

You pay **1,000.00 GBP**

You send: 1,000.00 GBP

Our fee: **Free**



The foreign bank may charge the payee a handling fee, which may be deducted from the amount the payee receives.

Stating the fee is "free" creates impression cost = zero.

Barclays

Sending 1,000 GBP → EUR

- A 2.8% exchange rate mark-up isn't communicated as a cost. The mark-up is hidden behind a tooltip and expressed as a fee in the payee's currency, not GBP.
- **No mention** of any upfront fees, only that additional fees will apply.
- Barclays exchange rate is presented as **the** exchange rate.

	Mid-market exchange rate	Barclays exchange rate	Hidden markup fee	Stated transaction fee	Real total cost	Transparency rating
	1 GBP = 1.1632 EUR	1 GBP = 1.1966 EUR + 2.8%	£33.43	£0.00	£33.43	

Where Barclays hides it?

Initially states that there are no fees.

Fees

£0.00

(Barclays + overseas delivery charge)

A 2.8% exchange rate mark-up isn't communicated as a cost.

Barclays exchange rate is presented as **the** exchange rate.

Payment amount and exchange rate

You send

1,000.00

GBP 

Equivalent to

1,163.20

EUR 

Unclear which other fees will apply. No mention of upfront fees.

Indicative live rate

1 GBP = 1.1632 EUR

Additional payment fees will apply



The mark-up is hidden behind a tooltip and only expressed as a fee in the currency of the payee.

Your indicative live rate



This is the current live rate – it may go up or down before we process your payment. The Exchange Rate is made up of a Barclays reference rate of GBPEUR 1.1961 and a margin of 2.75% which equates to EUR 32.90.

We'll show you your guaranteed rate before you complete this process.

Lloyds Bank

Sending 1,000 GBP → EUR

- 3.6% exchange rate mark-up still isn't communicated as a cost.
- If you click 'How much do we charge for making this payment?' you get the total cost: **deliberate choice** to hide this behind a tooltip.
- Lloyds "wholesale rate" is slightly worse than the mid-market rate, but gives a good indication of the actual cost of a transfer. BUT it's hidden behind a tooltip.
- £0.00 fee creates the impression that the transaction is free.


	Mid-market exchange rate	Lloyds Bank exchange rate	Hidden markup fee	Stated transaction fee	Real total cost	Transparency rating
	1 GBP = 1.973EUR	1 GBP = 1.1546 EUR + 3.6%	£42.76	£0.00	£42.76	

Where Lloyds Bank hides it?

3.6% exchange rate mark-up still isn't communicated as a cost.

£0.00 fee creates the impression that the transaction is free.


1000.00



You're sending (EUR)

[Will the recipient be charged additional fees?](#)

1154.60

 ▼

Exchange rate	1 GBP = 1.1546 EUR
Amount in GBP	1000.00 GBP
Our fee	0.00 GBP
<hr/>	
Total you pay	1000.00 GBP

[More information about our Standard Exchange Rate and fee.](#)

Our Standard Exchange Rate

✕

Our standard exchange rate shown here includes a margin, which for this transaction is £35.49. This is the difference between our standard exchange rate and the rate at which we buy and sell currency in the foreign exchange markets (the wholesale rate).

Our fee



If you are sending pounds or foreign currency other than euros (EUR), you will pay our fee of £9.50.

If you click 'How much do we charge for making this payment?' you get the total cost: **deliberate** choice to hide this behind a tooltip.

HSBC

Sending 1,000 GBP → EUR

- 0.42% mark-up not communicated as a cost to the customer
- HSBC exchange rate presented as **the** exchange rate
- £0.00 fee creates the impression the payment is free

	Mid-market exchange rate	HSBC exchange rate	Hidden markup fee	Stated transaction fee	Real total cost	Transparency rating
 HSBC	1 GBP = 1.2000 EUR	1 GBP = 1.1579 EUR + 3.5%	£42.11	£0.00	£42.11	

Where HSBC hides it?

3.5% mark-up not communicated as a cost to the customer

HSBC exchange rate presented as **the** exchange rate

Details

Edit



Amount	Currency of debit account GBP 1,000.00	Currency you're sending EUR 1,157.96
HSBC Exchange Rate	GBP 1.00 = EUR 1.157946 This rate is valid for 40 seconds. If this expires, you'll get a new one, which may be different.	
HSBC UK fee	GBP 0.00	
Who will pay the fees	I want to pay the HSBC UK Fees	
Total debit amount	GBP 1,000.00 This is the total amount which will be debited from your account. The payment amount and the fee, if applicable, will be debited separately.	
Date	28/10/2024	

£0.00 fee creates the impression the payment is free

TSB

Sending 1,000 GBP → EUR

- 3.5% mark-up not communicated as a cost to the customer, only behind a tooltip
- TSB exchange rate presented as **the** exchange rate
- **£0.00** fee creates the impression the payment is free

	Mid-market exchange rate	TSB exchange rate	Hidden markup fee	Stated transaction fee	Real total cost	Transparency rating
	1 GBP = 1.12 EUR	1 GBP = 1.157 EUR + 3.56%	£35.60	£0.00	£35.60	

Where TSB hides it?

3.5% mark-up not communicated as a cost to the customer

TSB exchange rate presented as **the** exchange rate

£0.00 fee creates the impression the payment is free

You send



£1,000.00

They receive



€1,157.35

Live rate

1 GBP = 1.157 EUR

The rate might have changed when your payment is locked in, and [includes a margin](#).

TSB fee

Nothing to see here yet

Foreign Exchange (FX) International Payment Margins

The FX International Payment Margin Percentage is the difference between the rate that TSB buys the international currency at, and the rate we offer you for converting your payment from Pounds Sterling to that currency.

The table below shows the percentage for foreign currencies. The percentages are the same for personal current account customers and business account customers.

Zone 1

Currency USD
CAD

TSB FX Rate Margin Percentage 3.20%
3.20%

Zone 2

Currency EUR
AUD
ZAR
NZD



TSB FX Rate Margin Percentage 3.30%
3.30%
3.30%

If you click 'includes a margin' you get the percentage fee: **deliberate** choice to hide this behind a tooltip.

Santander

Sending 1,000 GBP → EUR

- 2.5% mark-up not communicated as a cost to the customer
- Santander exchange rate presented as **the** exchange rate
- **£0.00** fee creates the impression the payment is free

	Mid-market exchange rate	Santander exchange rate	Hidden markup fee	Stated transaction fee	Real total cost	Transparency rating
	1 GBP = 1.15 EUR	1 GBP = 1.19 EUR + 3.36%	£38.00	£0.00	£38.00	

Where Santander hides it?

3.36% mark-up not communicated as a cost to the customer

Santander exchange rate presented as **the** exchange rate

Currency:

EUR - EURO

[Change payment details](#)

(*) Amount: ?

1000

☐ The amount is in selected currency

☒ The amount is in Pounds Sterling

Get quote

Indicative exchange rate:

GBP 1 = EUR 1.15

Equivalent amount in currency:

EUR 1,152.00 (estimate)

Sterling equivalent:

GBP 1,000.00

This quote is based on our current exchange rate. A different exchange rate may be used (likely if the payment is requested outside the working day).

(*) Payment options: ?

☒ Non-urgent (No fee)

☐ Standard (Fee charged)

Learn more about payments charges [here](#).



You will only be charged the Santander fee and your beneficiary will be liable for any other fees charged for handling the transaction.

"No fee" creates the impression the payment is free

Halifax

Sending 1,000 GBP → EUR

- 3.6% mark-up not communicated as a cost to the customer
- Halifax exchange rate presented as **the** exchange rate
- £0.00 fee creates the impression the payment is free

	Mid-market exchange rate	Santander exchange rate	Hidden markup fee	Stated transaction fee	Real total cost	Transparency rating
	1 GBP = 1.1863 EUR	1 GBP = 1.1441 EUR + 3.6%	£42.20	£0.00	£42.20	

Where Halifax hides it?

3.6% mark-up not communicated as a cost to the customer

Halifax exchange rate presented as **the** exchange rate

Amount (GBP)

1000.00



You're sending (EUR)

[Will the recipient be charged additional fees?](#)

1144.10



Exchange rate	1 GBP = 1.1441 EUR
Amount in GBP	1000.00 GBP
Our fee	0.00 GBP

Total you pay 1000.00 GBP

[More information about our Standard Exchange Rate and fee.](#)

Our Standard Exchange Rate

Our standard exchange rate shown here includes a margin, which for this transaction is £35.49. This is the difference between our standard exchange rate and the rate at which we buy and sell currency in the foreign exchange markets (the wholesale rate).

Our fee

If you are sending pounds or foreign currency other than euros (EUR), you will pay our fee of £9.50.

Visit our [information page](#) to learn more.


"No fee" creates the impression the payment is free

Only once you click for 'more information' does it explain the margin hidden in the exchange rate

Revolut (on weekdays)

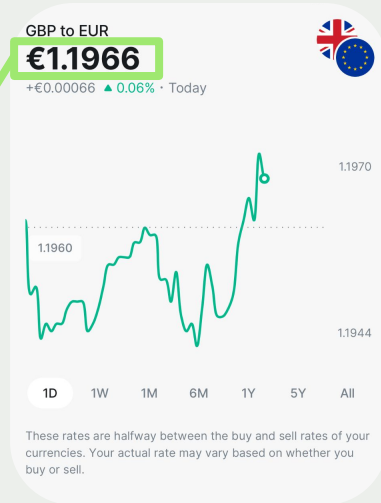
Sending 1,000 GBP → EUR

- Revolut uses the mid-market rate.
- The total cost is only communicated in the recipient's currency, not in GBP.
- There is no transaction fee for Revolut standard account holders under the exchange limit of £1,000 per month. For any transactions over that limit, a "fair usage fee" of 1% applies.
- A different price applies during the weekend (see Revolut on weekends).

	Mid-market exchange rate	Revolut exchange rate	Markup fee	Stated transaction fee	Real total cost	Transparency rating
Revolut	1 GBP = 1.1967 EUR	1 GBP = 1.1944 EUR 0.19%	£2.30	£0.00	£2.30	

How Revolut is close to transparent (on weekdays)

Revolut shows you the mid-market rate in the customer flow, before confirming the transfer



Recipient gets up to	€1,000
Recipient may get less due to fees charged by other banks. Learn more	
Exchange rate	£1 = €1.1944
Exchanged amount	£837.26
Revolut fees	No fees
Your total	£837.26


Revolut on the next screen then offers you an inferior rate that's very close to the mid-market rate (+0.19%).

It states to the customer that there are no fees included, when in fact there is a mark-up in FX.

Revolut (on weekends)

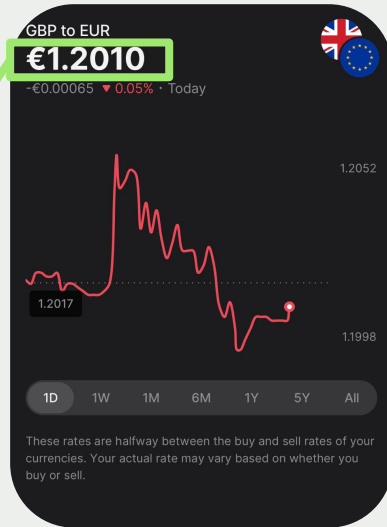
Sending 1,000 GBP → EUR

- Revolut uses a rate that's close to the mid-market rate.
- The total cost is communicated to the customer. However, we believe Revolut has margin for error built in to account for FX volatility. It would be preferable if this was also communicated to customers.
- The cost is only communicated in the recipient's currency, not in GBP.
- A different price applies during weekdays (see Revolut on weekdays). There is a 1% fee for currency exchanges on the weekend. This is communicated to the customer.

	Mid-market exchange rate	Revolut exchange rate	Markup fee	Stated transaction fee	Real total cost	Transparency rating
Revolut	1 GBP = 1.2000 EUR	1 GBP = 1.1983 EUR 0.14%	£1.70	£0.00	£1.70	

How Revolut is close to transparent (on weekends)

Revolut shows you the mid-market rate in the customer flow, before confirming the transfer



Payment breakdown	
Recipient gets up to	€1,000
Recipient may get less due to fees charged by other banks. Learn more	
Exchange rate	£1 = €1.1983
Exchanged amount	£834.53
Revolut fees	No fees
Your total	£834.53



Revolut on the next screen then offers you an inferior rate that's very close to the mid-market rate (+0.14%).

'No fees' gives the impression that the transaction is free, when there is a small mark-up in FX.

Starling Bank

Sending 1,000 GBP → EUR


- Starling uses the mid-market rate
- The total cost is clearly communicated to the customer

	Mid-market exchange rate	Starling Bank exchange rate	Markup fee	Stated transaction fee	Real total cost	Transparency rating
 Starling Bank	1 GBP = 1.1972 EUR	1 GBP = 1.1970 EUR 0.01%	None	£9.50	£9.50	


* Data collected in October 2024

How Starling Bank is transparent

You send

£ 1000 

They receive [Change currency](#)

€ 1,185.66 

Includes delivery fee of £9.50. Cheaper delivery options available.

Exchange details

Delivery options **£9.50** >

Conversion rate **£1 = €1.19703** ○

[View conversion details](#)

You pay	£1,000.00
- Fixed fee (SWIFT)	£5.50
- Conversion fee (0.4%)	£4.00
= Amount converted	£990.50
× Exchange rate	1.1970
= They receive	€1,185.66

The total cost is clearly communicated to the customer



Starling uses the mid-market rate

They provide a full breakdown of costs to the customer

Monzo Bank

Sending 1,000 GBP → EUR

- Monzo uses the mid-market rate
- The total cost is clearly communicated to the customer
- The international payment flow is powered by Wise

	Mid-market exchange rate	Monzo Bank exchange rate	Markup fee	Stated transaction fee	Real total cost	Transparency rating
	1 GBP = 1.1966 EUR	1 GBP = 1.1966 EUR 0%	None	£7.47	£7.47	

How Monzo is transparent

Monzo uses the mid-market rate. This international payment flow is powered by Wise.

The screenshot shows a transfer interface with the following details:

- You send:** 1,000.00 GBP
- Transfer fee:** £6.87
- Exchange rate:** 1.19662 live exchange rate
- Recipient gets:** 1,188.40 EUR
- Delivery:** Should arrive by Tuesday

Green boxes highlight the transfer fee and the exchange rate, with lines pointing to explanatory text boxes.

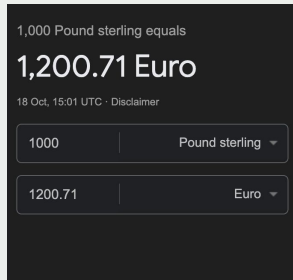
The total cost is clearly communicated to the customer

APPENDIX

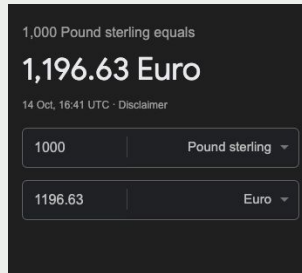
Collected exchange rate data

GBP → EUR

December 20, 2023
Natwest



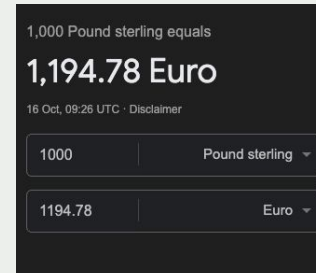
October 14, 2024
Barclays



December 20, 2023
Lloyds



October 16, 2024
HSBC



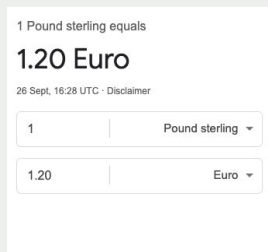
October 16, 2024
Halifax



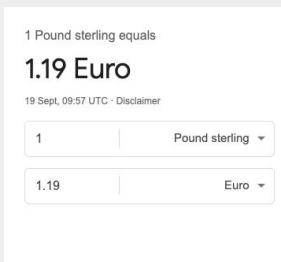
Collected exchange rate data

GBP → EUR

September 26, 2024
TSB



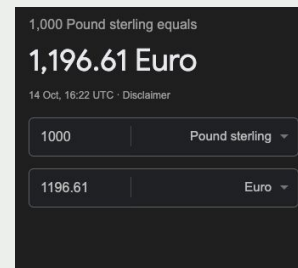
September 19, 2024
Santander



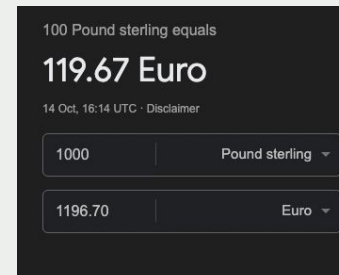
October 14, 2024
Starling



October 14, 2024
Monzo (powered by Wise)



October 14, 2024
Revolut (weekdays)



October 20, 2024
Revolut (weekends)

