

POST-BREXIT BANK CHARGES

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Although the end of the transition period on December 31st 2020 marked the end of the UK's membership of the EU, the UK remains a member of the **Single European Payments Area (SEPA)**.

According to the SEPA scheme, cross-border payments within the zone should not attract any additional charges, compared to domestic transfers within each member country.

Therefore, from January 1st 2021, we believe there should be **no additional charges** when sending money between the UK and other SEPA member states, which includes all EU countries.

However, it has become apparent that some EU banks have decided to introduce additional charges for payments made to and from the UK. These range from flat fees of around €12-18 for receiving a payment, to percentage charges of between 0.3-0.5% for sending or receiving larger amounts.

The charges vary per bank, and even per customer, so are very hard to predict. Some Spanish banks have been particularly quick to apply charges, but there have been similar reports in other EU countries too. Personal accounts seem to be more affected than businesses (for example, solicitors).

It is our understanding that **these charges should not be applied**. However, local regulators (eg the Bank of Spain) and the European Payments Council, who run the SEPA scheme, may not be motivated to argue the case for UK financial institutions and their customers over EU banks, now that the UK is no longer an EU member.

It therefore may be hard to contest any charges applied to your payments. A Place in the Sun Currency, like any other UK-regulated financial institution, cannot guarantee that EU banks will not apply charges to payments made from, or to, our accounts, from January 1st 2021.

In order to minimise any charges, and to put pressure on European authorities and banks to apply the rules fairly, we suggest:

Reducing Charges:

- If you are sending smaller, monthly payments between the UK and EU, change to a larger quarterly or six-monthly payment, to reduce the number of transfers you are making
- If paying for goods or services, ask us to send payments direct to your beneficiary (eg solicitor or company you need to pay) instead of sending to your own account and onwards from there
- If receiving funds from a property sale, ask your notary to send currency payments direct to us for conversion, instead of sending via your own EU bank account

Complaining about Charges:

- Complain in the first instance to your bank (you can refer to the points in this document) and try to negotiate a reduction or reversal of charges
- Threaten to change bank, and when opening any new accounts, confirm beforehand that SEPA payments to and from the UK will not attract additional charges
- If you are not successful, complain to the local regulator (eg Bank of Spain) and the European Payments Council (<https://www.europeanpaymentscouncil.eu/>)

As this is an emerging issue, we will publish further updates as more information becomes available. Meanwhile please inform us if your bank does apply extra charges to your payments, so that we can build a more complete picture. We will share any findings with you. And be assured that *A Place in the Sun Currency* will be at the forefront of lobbying to ensure bank charges are reduced or eliminated for these payments in the future.

Please contact your usual account manager at *A Place in the Sun Currency* with any questions.

