



LUK2022 Questions and Answers

What happened?

Normally, when a customer makes a non-sterling payment, we apply a currency conversion fee of 2.75% to the exchange rate. This fee is displayed on the statement under the payment as 'INCL FX FEE £x.xx'. We displayed this fee incorrectly.

For some foreign exchange payments, we displayed the fee as '£0.00' when in fact we had charged a fee.

Who does this affect?

The issue affects some personal and business debit card customers who made non-sterling payments between January 2018 & August 2022.

How have we put this right?

This display error was fixed. We'll refund those customers who are affected either to their AIB bank account or by cheque.

How has the refund been calculated?

The refund is the amount of the currency conversion fee that we charged plus compensatory interest, calculated at a rate of 8%. For personal customers, the compensatory interest is subject to tax, at a rate of 20% under HM Revenue and Customs rules, which we have deducted and paid. If the compensatory interest is not subject to tax you will see this displayed as £0.00 on your letter.

Do I need to pay tax on the refund directly to HM Revenue and Customs?

No, any tax due on the compensatory interest has already been deducted and paid by us.