



# 11 Insider Tactics to Get the Best FX Deals

By someone who spent 16 years on the provider side...



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## 01 Start viewing FX as a cost, not just a rate

FX isn't just about getting a good rate, it's about managing cost.

If you transact £100M at a 0.25% margin, that's a £250K cost. Reduce the margin to 0.20%, and you save £50K instantly.

When clients told my team they were tracking transaction costs, we'd tighten margins immediately. Transparency changes behaviour.

## 02 Benchmark trades quarterly (as a minimum)

Margins move quickly, even at major banks. A mouse click can widen spreads without you noticing.

Benchmark every quarter. Use tools that let you audit past trades. Whether you're using 360T, FXall, or phone broking, your provider will likely log your scrutiny in their CRM. Once they know you're watching, pricing usually sharpens (quelle surprise).

## 03 Take the lead in negotiations

FX pricing should be clear from the start of any relationship.

If you're trading £500M across five providers, and you're open to adding a new one, ask:

"If I commit £70M to you annually, what would the cost be to my business in exchange costs?"

Get clear pricing based on your volumes, currency pairs, products, and tenors. In 16 years and over 10,000 clients, no one ever asked me that upfront and it would have changed everything about how I priced them.

## 04 Know your FX products

There's no one-size-fits-all in FX. Spot and vanilla forwards work for many, but others need tailored solutions.

Some clients we worked with, like airlines, had high transaction volumes but limited working capital. Traditional forwards didn't work because they couldn't risk margin calls.

One solution we used was the Tracker Forward. The rate wasn't as strong, typically 2 percent less favourable, but it offered capped mark-to-market exposure. An embedded option limited credit risk, allowing clients to hedge without the fear of unlimited margin risk.

Learn the tools, then pick the ones that fit your business model.

## 05 The hidden cost of hospitality

If you're being wined and dined at Wimbledon, the US Open, or The Masters, ask yourself, who's really paying for it?

In my previous role, we reviewed client profitability quarterly. Those generating the biggest profits got the most invites. After the events, it wasn't uncommon to widen their spreads to cover the cost.

Enjoy the hospitality, but don't take your eye off the FX. If you're not tracking pricing before and after, you could be footing the real bill.

## Options come with heavier margins

If you're hedging with FX options or structured products, know this, margins can be much wider than spot or forwards.

Why? Because options are opaque. In my experience, we made FX Option margins 300 percent higher than forwards and up to 1000 percent higher than spot.

The fix? Let your provider know you're benchmarking option pricing elsewhere. Just that knowledge alone will keep margins more reasonable, fair, and transparent.

## Never let your provider think they're your only option

Telling your FX provider you've maxed out credit elsewhere is like handing them a blank cheque.

When they know they're the only provider in town, they'll write their own margin. We saw it happen all the time.

Even if you're not using others, always give the impression that you have alternatives. It keeps pricing competitive and behaviour in check.

## Always ask for the interbank rate

Make it standard practice to request the interbank rate your deal was executed against.

It's a simple question that sends a strong signal that you're tracking margins and know what to look for.

Even if you don't check it every time, your provider will price you more carefully knowing you could.

## Spread your risk

Don't put all your FX exposure with one provider. In volatile markets, that's a risky move.

By splitting trades across multiple providers, you reduce concentration risk and lower the chance of aggressive margin calls.

Diversification isn't just good portfolio practice, it's smart FX risk management.

## Stress test your FX portfolio

Markets move fast and not always in your favour. If you're not stress testing your FX positions, you're flying blind.

Model worst-case scenarios across your hedge positions:

- What if GBP drops 5 percent?
- What happens if a key counterparty pulls your credit?
- How exposed are you if Trumps sends an aggressive tweet

Regular stress testing helps you understand your real risk, not just your booked rate. It also helps you justify hedging decisions to your board or auditors with confidence.

## Do you even need to hedge?

Before placing a single trade, step back and ask – do I actually have exposure?

If your FX inflows match your outflows, you may already be naturally hedged. In that case, you're not exposed to market movement, and hedging could mean paying away margin for no real reason.

Understand your net position first. Many businesses hedge gross flows when what they really need is a better view of internal matching.

## See how your FX trades stack up – for FREE

Benchmarking doesn't have to be manual or expensive.

Bracket's Benchmarker tool lets you upload any spot or forward trade – past or present – and instantly see if the pricing was fair. No integrations, no onboarding, and no cost for a trial run.

Visit [bracket.co.uk/get-started](https://bracket.co.uk/get-started) and see for yourself, or get in touch for an informal chat: [acharles@bracket.co.uk](mailto:acharles@bracket.co.uk)