

Title:

Your Holiday Money Could Cost You Dear

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542

Summary:

Lisa Taylor from moneyfacts.co.uk comments on the options available to travellers when spending overseas and the costs that consumers should be but are sometimes not aware of.

Keywords:

travel money, travellers cheques, money abroad

Article Body:

Lisa Taylor from moneyfacts.co.uk comments on the options available to travellers when spending overseas and the costs that consumers should be but are sometimes not aware of.

"Whether planning a summer holiday or jetting off for Easter, consumers are keen to check the costs when it comes to choosing the hotel, flights, insurance, and airport parking, but tend not to use the same level of consideration when choosing the cheapest option when it comes to their spending money.

"With each provider charging varying fees which are not immediately visible and often not fully appreciated by the consumer, it is a potential minefield to find the 'best' deal, and this becomes much worse as we consider the outside influence of exchange rates.

"Consumers have three main options, the traditional travellers cheques and currency, debit cards or credit cards. Amex has also launched into the prepay card arena, with a card designed for overseas travel, but the rest of the industry is yet to catch on.

"Traditional cheques and currency are still popular with many travellers and offer a competitive market place for providers. Commission free deals are becoming easier to find particularly for currency and currency travellers cheques, where there is still scope for profit by means of discounted exchange rates.

"Unfortunately without plenty of leg work by the consumer, it proves a difficult

market in which to compare deals. Providers offer varying commission deals, but without taking into consideration the exchange rate it is impossible to decipher the 'best' overall deal.

Moneyfacts compiles a full list of providers detailing charges, offers and delivery details, which can be found at [www.moneyfacts.co.uk](http://www.moneyfacts.co.uk)

"The competitive nature of the market reinforces the message that there is profit to be made, even when offering 0% commission. Large institutions such as NatWest and HSBC are offering free prize draws as a means to entice customers to buy their holiday from them.

"After finding their chosen provider, in many cases the consumer has a much more flexible choice, than was previously available, with the ability to order online, on the telephone and the option of home or branch delivery. But do beware; these do sometimes come at a cost.

"Credit cards are becoming an increasingly popular method of payments and withdrawing cash abroad. Many of us do not realise that, when using a credit card abroad, the card issuer adds on a foreign usage loading; this can be as high as 2.75%. That means a consumer spending £1,000 abroad would be charged £27.50.

"There are however a few exceptions to this rule within the market, including Nationwide and Saga who do not charge for usage anywhere in the world.

" In addition, if withdrawing cash overseas, consumers will also be charged a cash withdrawal fee, which can be as high as 2.5%. So withdrawing £1,000 cash could cost you as much as £52.50.

"Debit cards also come attached with foreign loadings up to 2.75%, cash withdrawal fees and in some cases an additional per item charge for purchases, tucked away in the small print, giving customers a nasty surprise when the statement hits their door mat. Any consumer looking to rely solely on a debit card would be well advised to consider Nationwide, the only provider not to impose cash or purchase fees."