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BRITISH HOLIDAYMAKERS RISK BEING BURNT BY £53 MILLION OF HIDDEN CHARGES FOR USING THEIR CREDIT CARD ABROAD

- **British holidaymakers risk running up over £53 million in fees for using their credit cards abroad^[1]**
- **A further fifth of Brits abroad (21%) risk charges by using their debit card to withdraw cash when they're away^[2], while 3% withdraw cash using their credit card^[2]**
- **7% of consumers don't understand the costs involved with using cards abroad, or how they vary, and more than a quarter (28%) just use whatever card they have in their wallet^[3]**
- **Getting the best exchange rate is the most important factor for nearly four in ten Brits (38%) when choosing how to pay for items on holiday – an increase on last year (30%). But more than two in ten (22%) are ruled by convenience^[4]**
- **Almost a fifth (18%) don't plan their holiday spending but almost one in ten (9%) of those who do budget still overspend^[5].**

With a long bank holiday weekend fast approaching, and the Eurozone crisis meaning the pound goes further than this time last year, getting away may be on the minds of many. But British holidaymakers risk running up over £53 million in stealth charges just for shopping with their credit card abroad^[1], according to uSwitch.com, the independent price comparison and switching service. While more than a fifth of Brits holidaying abroad (21%) intend to take money out of foreign cash machines using their debit card^[2], almost four in ten (38%) will risk being stung by fees by using their credit cards to pay for things on holiday - 3% will even use their credit card to withdraw cash^[2] despite the high fees this can incur.

Holidaying Brits spend an average of £784 while on holiday – but take less than half of this (47%) as local currency^[1]. Those caught short abroad risk getting burnt by high fees. More than a fifth (22%) have been forced to take cash out using a credit card^[6] – which can carry fees of up to 2.99% - or £2.99 for a £100 withdrawal^[7]. And although credit cards have the convenience

factor, paying on plastic could see holidaying Brits handing over an eye-watering £52 million in fees and charges to credit card companies^[1].

However, it seems consumers are getting slightly savvier - last year 21% intended taking cash out using their debit card and 38% said they would make purchases with their credit card abroad^[8]. But despite this, almost one in ten (7%) still don't understand the costs involved with using a credit card abroad, and that they vary between cards. Only a third (35%) do their research and make sure the best credit card to use abroad is in their wallet^[3].

And even those who avoid expensive credit and debit cards may still be left short-changed. Almost six in ten of those travelling abroad (59%) plan to pay for this year's holiday expenses with cash they changed up before they went^[1]. However, 5% are unlikely to benefit from the best exchange rate – leaving it to the last minute to change their money^[9]. Less than half (49%) always make sure they're getting the best rate – 13% rarely or never check that the rate they get is the best^[10]. In fact, while getting the best exchange rate is a top priority for almost four in ten (38%) – an increase from last year as cash-strapped consumers try to make their money work harder - more than a fifth (22%) choose convenience as their overriding priority instead^[4].

Michael Ossei, personal finance expert at [uSwitch.com](https://www.uswitch.com), says: “Sorting out your spending money is often the last thing on a holidaymaker's list, but if you leave it to the last minute, or rely on the convenience of plastic, it can cost you dear. While some holidaymakers are starting to wise up and ensure that they make their spending money work as hard as possible for them, too many still risk getting burnt for using cards while abroad. Fees from using your credit or debit card abroad can be the holiday souvenir from hell, but there are a number of ways to avoid them.

“The best way of tackling holiday finances is to start thinking about your spending money ahead of when you go. If you like the convenience and security of paying on plastic, check with your current credit and debit card supplier to see what their foreign usage fees are, and shop around to see if you can get a credit card with low or no overseas fees. Alternatively get a pre-paid currency card which allows you to top up foreign currency, some with no commission charges and can be used like a standard credit card abroad. The best thing about currency cards is that you can only spend what you load on them so you are guaranteed not to overspend.

“If you prefer to pay with cash, make sure you get the best rate on your money. This will normally involve pre-ordering your currency and collecting it before you travel. Avoid changing

currency at the airport or straight from your debit card as commission fees could cost you that well-earned poolside drink.”

For more information visit www.uSwitch.com or call 0800 093 06 07

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For further information please contact:

Katherine Cooper on 020 7802 2961 or katherinecooper@uswitch.com

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Notes to editors:

Research carried out online with the uSwitch.com Consumer Opinion Panel in April 2012 amongst a sample of 1,488 GB adults.

1. 65.5% said they were going on holiday, and of these, 93.7% are going outside of the UK. Of those holidaying outside the UK, when asked “How do you plan to pay for your holiday expenses such as shopping, going out etc?” 38.4% said ‘credit card’; 21.8% said ‘debit card’; 20.5% said ‘Local currency I get out of the cash machine using my debit card when on holiday’; 3.3% said ‘Local currency I get out of the cash machine using my credit card when on holiday’. 7.9% said just credit card.
When asked “How much do you plan to spend while you're away on holiday (not including flights and accommodation)?” the average amount was £784.37.
If this was spent on credit cards, with a maximum fee of 2.99%, based on the Virgin Money Credit Card, each holiday maker would rack up £23.45 in fees. Based on ONS stats of 47 million GB adults, the fees for spending on a credit card equates to $(0.079 \times 0.937 \times 0.65 \times 47,000,000) \times £23.45 = £53,029,890$
2. Of those going outside of the UK, when asked “How do you plan to pay for your holiday expenses such as shopping, going out etc?” 38.4% said ‘Credit card’; 21.8% said ‘Debit card’; 20.5% said ‘Local currency I get out of the cash machine using my debit card when on holiday’; 3.3% said ‘Local currency I get out of the cash machine using my credit card when on holiday’
3. Of those who said they plan to use a credit card, when asked “You said you plan on using a credit or debit card abroad. Which of the following best applies?” 39.9% said ‘I always research the best card to use and make sure I have it’; 27.5% said ‘I use whatever card I have in my wallet at the time’; 3.3% said ‘I’m not aware that some cards are better than others’; 37.7% said ‘I make sure I understand all the fees and charges involved with using my card abroad’; 4.1% said ‘I don’t understand all of the fees and charges involved with using my card abroad’.
4. When asked “What is the most important factor when choosing how to pay for items when on holiday?” 21.6% said ‘Convenience’; 38.4% said ‘Best exchange rate’; 8.5% said ‘Lowest rate of commission’.
5. When asked “When it comes to your holiday budget, which of the following statements best applies to you?” 18.1% said ‘I plan my spending before I go and stick to a very tight budget’; 41.8% said ‘I plan my spending before I go but am quite relaxed about it when I get there’; 9.3% said ‘I plan my spending before I go but often end up overspending’; 15.1% said ‘I don’t plan my spending at all and spend whatever I want when I get there’; 1.9% said ‘I don’t plan my spending and often spend far more than I expected when I’m there’; 6.8% said ‘I don’t plan my spending but often spend less than I expected when I’m there’.
6. When asked “Thinking about previous holidays abroad, have you ever been forced to take cash out of a cash machine with a credit card?” 2.2% said ‘Yes – most of the time’; 10.6% said ‘Yes – sometimes’; 9% said ‘Yes – once’ – this equates to a total of 21.8%
7. Based on the Barclaycard Thomas Cook Credit Card Visa, which charges 2.99% for withdrawing cash
8. From research carried out online with the uSwitch.com Consumer Opinion Panel in June 2011 amongst a sample of 1,105 GB adults. When asked “How do you plan to pay for your holiday expenses such as shopping, going out etc?” 20.9% said ‘Local currency I get out of the cash machine using my debit card when on holiday’; 38% said ‘credit card’; 68.7% said ‘Local currency I changed before the holiday’;
9. When asked “In relation to your holiday, when will you usually start to think about your holiday money?” 1.8% said ‘I sort out my holiday money a day before I travel’; 0.1% said ‘I sort out my holiday money on the same day as I travel but not at the airport’; 3.4% said ‘I sort out my holiday money on the same day as I travel at the airport’. This equates to 5.3% who leave it to the last minute.
10. When asked “Which of the following best describes your attitude to getting your holiday money?” 48.7% said ‘I always research for the best exchange rate for cash’; 31.9% said ‘I research the best exchange rate most of the time’; 7.9% said ‘I have only ever researched the best exchange rate a couple of times’; 1.4% said ‘I have never

researched the best exchange rate but will do this time'; 3.5% said 'I have never researched the best exchange rate and probably never will'. This equates to 12.8% who rarely or never check.

About us:

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uSwitch.com is the first comparison website to achieve the Plain English Campaign's Internet Crystal Mark, which is recognised as a standard that a website has clear language, is accessible and easy to use, and has been tested on a sample of its users.

uSwitch.com is dedicated to helping consumers save money whether they have internet access or not. It offers a dedicated call centre, manned by uSwitch customer service representatives, as well as a freepost 'Send us your bill' service, whereby customers can post their latest energy bills with their telephone number to FREEPOST USWITCH, to get a free call back from a dedicated customer services representative. The service is also available via fax, email and post. Consumers should fax 0203 214 8417, email CustomerServices@uswitch.com or write to Customer Services, uSwitch.com, Centro 3, 19 Mandela Street, London, NW1 0DU with their postcode and usage details.

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