



Under embargo until: Wednesday 20<sup>th</sup> July, 2011

## **BRITISH HOLIDAYMAKERS RISK BEING STUNG BY £457 MILLION HIDDEN CREDIT AND DEBIT CARD CHARGES**

- **Brits risk running up over £457 million in fees for using their credit card or taking money out with their debit card while abroad<sup>[1]</sup>**
- **A fifth of Brits (21%) risk charges by using their debit card to withdraw cash when they're away<sup>[2]</sup>**
- **One in four (38%) use their credit card abroad<sup>[2]</sup>, but more than one in ten Brits (11%) don't understand the costs involved or how they vary between cards<sup>[3]</sup>. A third (29%) just use whatever card they have in their wallet<sup>[3]</sup>**
- **Getting the best exchange rate is the most important factor for nearly a third of Brits (30%) when choosing how to pay for items on holiday, but almost a fifth (18%) are ruled by convenience<sup>[4]</sup>**
- **A fifth of Brits (20%) don't plan their holiday spending but 14% of those who do budget still overspend<sup>[5]</sup>.**

British holidaymakers risk running up over £422 million in stealth charges just for using their debit or credit card abroad<sup>[1]</sup>, according to [uSwitch.com](http://uSwitch.com), the independent price comparison and switching service. While a fifth of holidaying Brits (21%) intend to take money out of foreign cash machines using their debit card<sup>[2]</sup>, one in four (38%) will risk being stung by fees by using their credit cards to pay for things on holiday<sup>[2]</sup>.

However more than one in ten (11%) Brits don't understand the costs involved and that they vary between cards, while only a third (35%) research the best credit card to use abroad and make sure it's in their wallet<sup>[3]</sup>. Credit cards have the convenience factor, but paying on plastic could see holidaying Brits handing over an eye-watering £186 million in fees and charges to credit card companies<sup>[1]</sup>.

Even those who avoid expensive credit and debit cards may still be left short-changed. Over two thirds of Brits (68%) will be paying for this year's holiday expenses with cash they changed up before they went<sup>[2]</sup>. However, 13% are unlikely to benefit from the best exchange rate – leaving it to the last minute to change their money<sup>[6]</sup>. In fact 16% rarely or never check to make sure they're getting the best rate – and less than half (47%) ensure they get the best deal every time<sup>[7]</sup>. Getting the best exchange rate is a top priority for only three in ten Brits (30%) – a fifth (16%) chose convenience<sup>[4]</sup>.

Even on holiday, one in ten Brits (11%) will be watching the pennies, choosing a payment method that will allow them to keep a closer tab on their spending<sup>[4]</sup>. Just a fifth of Brits (20%) don't budget their holiday spending, but even those who do aren't always successful as 14% still manage to overspend<sup>[5]</sup>.

**Stefan Maryniak, personal finance expert at [uSwitch.com](http://uSwitch.com), comments:** “Sorting out your spending money is often the last thing on a holidaymaker's list, but if you don't do it or leave it to the last minute it can cost you dear. 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. If you plan ahead you'll end up with more money in your pocket.

“The best way of tackling holiday finances is to start thinking about your spending money when you book the holiday. 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 travel fees. If you do have to withdraw cash, use your debit card as credit cards often carry higher fees, and you'll be charged interest straight away. 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 you only spend what you load on them so you are guaranteed not to overspend.

“If you'd 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](http://www.uSwitch.com) or call 0800 093 06 07**

**-Ends-**

**For further information please contact:**

Katherine Cooper on 020 7802 2961 or [katherinecooper@uswitch.com](mailto:katherinecooper@uswitch.com)

John Diviney, Lansons Communications on 0207 294 3696 or [johnd@lansons.com](mailto:johnd@lansons.com)

**Follow the uSwitch.com PR team on Twitter: [@uswitchPR](https://twitter.com/uswitchPR)**

**Notes to editors:**

Research carried out online with the uSwitch.com Consumer Opinion Panel in June 2011 amongst a sample of 1,105 GB adults.

1. Based on data from The UK Cards Association report 'UK Plastic Cards 2011' that £6.3 billion was spent acquiring cash on debit cards outside of the UK and that £7.4 billion was spent on credit cards outside the UK. Fees calculated using data from Moneyfacts: highest fee for taking cash out on debit cards of 3.75%. Therefore, total fees for using a debit card to take out cash were 3.75% x £6.3 billion = £236.25 million. Highest fee of 2.99% for using a credit card abroad (Source: Moneyfacts). Therefore total fees = 7.4 billion x 2.99% = £221.26 million. Total fees = £457.51 million
2. 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';
3. Of those who said they use their credit card, when asked "Which of the following best applies?" 34.7% said 'I always research the best card to use and make sure I have it'; 29.3% said 'I use whatever card I have in my wallet at the time'; 7% said 'I don't understand all of the fees and charges involved with using my card abroad'; 4.2% said 'I'm not aware that some cards are better than others'
4. When asked "What is the most important factor when choosing how to pay for items when on holiday?" 30% said 'Best exchange rate'; 17.9% said 'Convenience'; 10.9% said 'budgeting reasons'
5. When asked "When it comes to your holiday budget, which of the following statements best applies to you?" 12.2% said 'I don't plan my spending at all and spend whatever I want when I get there'; 1.7% said 'I don't plan my spending and often spend far more than I expected when I'm there'; '6% said I don't plan my spending but often spend less than I expected when I'm there' meaning 19.9% don't plan; 13.5% said 'I plan my spending before I go but often end up overspending'.
6. When asked "In relation to your holiday, when do you normally change your money into local currency?" 3.2% said 'I sort out my holiday money a day before I travel'; 0.7% said 'I sort out my holiday money on the same day as I travel but not at the airport'; 1% said 'I sort out my holiday money on the same day as I travel at the airport'; 7.9% said 'I sort out my holiday money when I get to my holiday destination'
7. When asked "Which of the following best describes your attitude to getting your holiday money?" 46.6% said 'I always research for the best exchange rate for cash'; 10.6% said 'I have only ever researched the best exchange rate a couple of times'; 2.4% said 'I have never researched the best exchange rate but will do this time'; 3.1% said 'I have never researched the best exchange rate and probably never will'

**About us:**

uSwitch.com is a free, impartial, online and telephone-based comparison and switching service, helping consumers compare prices on gas, electricity, water, heating cover, home telephone, broadband, digital television, mobile phones and personal finance products including mortgages, credit cards, current accounts and insurance. In 2010 uSwitch.com celebrated ten years of saving customers money.

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](mailto:CustomerServices@uswitch.com) or write to Customer Services, uSwitch.com, Centro 3, 19 Mandela Street, London, NW1 0DU with their postcode and usage details.

uSwitch.com is owned by Forward Internet Group Limited, a privately funded collection of internet-based businesses focused on consumer engagement and innovation.

