



TRAVELEX'S PLAIN ENGLISH GUIDE TO EXCHANGING CURRENCY

Travelex

worldwide
money

As the world's largest retail provider of foreign exchange, we know that exchanging currency can, at times, be confusing.

Dealing with money can be complicated at the best of times, but in the rush to get away, or while you are abroad, changing your travel money can be tricky. This is especially true as there are a number of unfamiliar terms and phrases connected with the process.

As the world's foreign-exchange specialist, we are helping consumers to make things as simple as possible by developing this plain English guide.

Along with Plain English Campaign, we have designed the guide to:

- cut through the confusion;
- make sure you get the best value for your travel money; and
- make changing your money one less thing to worry about the next time you head abroad.



LET'S TALK ABOUT EXCHANGE RATES

Rate boards can baffle even frequent travellers, so here is a guide to what to look out for.

Buy rate – this is the rate at which we would buy foreign currency back from travellers to exchange into local currency. For example, if you were returning from Spain, we would exchange your euro back into pounds at the buy rate.

Sell rate – this is the rate at which we would sell foreign currency in exchange for local currency. For example, if you were heading to Turkey from the UK, you would exchange your pounds for lira at the sell rate.

Holiday money rate or tourist rate – another term for a sell rate.



Spot rate – this is known more formally as the 'interbank' rate. It is the rate banks or large financial institutions charge each other when trading significant amounts of foreign currency. In the business, this is sometimes referred to as a 'spot rate'. It is not the tourist rate and you cannot buy currency at this rate, as you are buying relatively small amounts of foreign currency. In everyday life it is the same as the difference between wholesale and retail prices. The rates shown in financial newspapers and in broadcast media are usually the interbank rates.



Spread – the difference between the buy and sell rates offered by a foreign-exchange provider such as us.

Cross-rate – this is the rate we give to customers who want to exchange currencies that do not involve the local currency. For example, if you want to exchange euro into US dollars while in the UK, we would exchange your currency from euro to pounds and then pounds to US dollars.

Commission – this is a common fee that foreign-exchange providers charge for exchanging one currency to another. We can charge this as a percentage of the amount you exchange or a flat fee.

LET'S TALK ABOUT PRODUCTS

Commission-free – providers can add commission when you convert money. When we talk about something being commission-free, this means the provider does not charge a fee to convert cash from one currency to another. So, if something is commission-free, there will be no charge added for exchanging the money. As a result you will get more foreign money for your pounds.

Buy back – some currency-exchange providers offer a product which allows you to sell your leftover foreign currency back to the provider at a guaranteed rate. Our 'Buy Back Plus' will secure the value of your currency so you don't lose out when you return from your trip. For a small fee of £3.99 when you buy your travel money, we'll

buy back your foreign currency banknotes and traveller's cheques, commission-free, at the original exchange rate you bought them from us. We guarantee this for 31 days from when you make the original purchase.

Online price promise – We have an online price promise, available at **Travelex.co.uk**. This guarantees you the best priced foreign currency, commission-free, or we will refund the difference. You can then choose to pick up your currency at the airport or have it delivered to your home – making exchanging your currency even simpler and cheaper.

Prepaid travel money cards – prepaid cards work like a debit card that you load with currency before you leave. This means you lock in the value upfront so you know just how many euros or dollars you have to spend. Just like a credit or debit card, prepaid cards are accepted at millions of cash machines and shops, restaurants and so on worldwide. The advantage is that they can help you to budget more effectively.

And, with cards such as the Travelex Cash Passport, they are free from extra charges if you withdraw cash from cash machines or you use them to buy goods and services. This makes prepaid cards a better option for carrying travel money. (You will often have to pay charges if you use a debit or credit card and can suffer from poor exchange rates abroad.) Prepaid cards are also a safe and secure way to spend overseas, as they are not connected to your bank account and can be replaced if lost or stolen.





www.travellex.co.uk