



IMMEDIATE RELEASE

## **HOLIDAY FLING: BRITS TO THROW £627m AWAY WITH BANK CHARGES ABROAD SAYS CAXTON**

- UK holidaymakers using high street debit cards abroad this year are set to waste an average of £32.32 each per trip<sup>1</sup>.
- Analysis of fees from the biggest UK banks shows customers carelessly tapping cards overseas will pay an extra £18.02, losing £14.30 to ATM surcharges<sup>1</sup>.
- While big banks charge about 3% for spending on standard debit cards in foreign countries, ATM fees vary more – from 2.75% up to 4.75%.

**London, 23 May 2024** – The ‘shoulder season’ is upon us with [double](#) the number of Brits expecting to travel in May and June this year to save on high season costs. However, budget conscious Brits defaulting to debit cards abroad could be stung by an extra £32.32 bill this summer, research by payments firm [Caxton](#) can reveal.

This is due to card fees banks impose on customers who pick the wrong plastic to use overseas – with charges of up to 2.99% for each overseas transaction, and 4.75% for getting cash.

Calculating these fees against new holidaymaker data on summer spending and ATM use shows consumers could waste an average of £32.32 per trip on charges<sup>1</sup>. With 19.4 million foreign holidays taken by UK residents between July and September last year, Brits following suit could face a bill of £627m this summer<sup>2</sup>.

### **The tourist ‘tap’**

Caxton research shows UK consumers make an average of 19 card transactions while holidaying overseas, typically spending £32.33 per tap<sup>1</sup>. During their trip they’ll take money out three times, withdrawing around £150 each time<sup>1</sup>.

In the UK, debit cards account for half of all payments made, with figures showing the use of contactless methods surging by 30%<sup>3</sup>. However, continuing to use these cards abroad can become an additional – unnecessary – holiday expense.

**Table: Overseas debit card transaction fees**

Banks	Fees for overseas card transactions	Average spend per transaction	Total cost per transaction	Average card Transactions	Total cost for all transactions
HSBC	2.75%		£0.89		£17.17
Lloyds	2.99%		£0.97		£18.67
Barclays	2.99%		£0.97		£18.67
Santander	2.95%		£0.95		£18.42
NatWest	2.75%		£0.89		£17.17
<b>Average of all banks</b>	<b>2.93%</b>	<b>£32.33</b>	<b>£0.93</b>	<b>19.31</b>	<b>£18.02</b>

### Toll in the wall

Most high street banks have charges for using their standard debit cards overseas as a cost for converting the money from pounds into a foreign currency.

This conversion fee typically applies to both spending and taking out cash abroad with a debit card. However, for ATM use HSBC also adds on a 2% non-sterling cash fee for standard account holders, meaning customers will be charged 4.75% of the amount withdrawn.

**Table: Overseas debit card ATM fees**

Banks	Fees for overseas ATM withdrawal	Average amount withdrawn	Total cost per withdrawal	Average number of withdrawals	Total cost for all ATM withdrawals
HSBC	4.75% *		£7.06		£20.67
Lloyds	2.99% **		£4.44		£13.01
Barclays	2.99%		£4.44		£13.01
Santander	2.95% ***		£4.38		£12.84
NatWest	2.75%		£4.08		£11.97
<b>Average of all banks</b>	<b>3.29%</b>	<b>£148.53</b>	<b>£4.88</b>	<b>2.93</b>	<b>£14.30</b>

\* HSBC Fees for cash withdrawal in foreign currency, or cash machine outside the UK 2.75% plus 2% (minimum £1.75, Maximum £5.00); \*\* Lloyds also charges a foreign currency cash fee of £1.50 for withdrawals outside the EU and European Economic Area; \*\*\* Santander does not charge for withdrawals from Santander card machines abroad

Although the number of foreign holidays Brits took rose 12% last summer, the research showed the typical card use per person had fallen year on year, with purchases down 10% and spend per transaction down 2%<sup>4</sup> <sup>5</sup>. Over the same period the average amount UK consumers withdrew from cashpoints was up by 17%, while the number of ATM withdrawals per trip dropped 7%, suggesting a greater focus on budgeting and fewer impulse buys.

**Caxton Chief Operating Officer, Alana Parsons commented:** “When you let your hair down on a trip abroad it’s easy to let your guard down when it comes to bank card fees. Since Covid we’ve become used to making quick taps with our cards, so it’s understandable why many people continue to do so on holiday.

“As our research shows, however, this can lead to needless charges, courtesy of currency conversion and ATM fees. To break the habit – and hold onto your hard-earned cash – get a currency card for holiday spending. Having a separate card will help you budget and can also be pre-loaded with the money you need – so you can relax.”

– ENDS –

**Notes to Editors:**

<sup>1</sup> Caxton researchers analysed 1,249,798 foreign currency transactions made by 64,737 consumers and 81,751 overseas ATM withdrawals made by 27,922 consumers between July and September 2023; These figures were used with the high street bank debit card fees to calculate the average bill of using a high street debit card overseas Contact [marketingteam@caxton.io](mailto:marketingteam@caxton.io) for the full analysis

<sup>2</sup> ONS: [Overseas travel and tourism: July to September 2023](#); 19.4 million x £32.32 = **£627,008,000**

<sup>3</sup> UK Finance: [Half of all payments now made using debit cards](#)

<sup>4</sup> ONS: [Overseas travel and tourism: July to September 2023](#)

<sup>5</sup> Caxton 2023 research showed average amount withdrawn at overseas ATM from July to September 2022 = £126.63; Average count withdrawals = 3.16

**About Caxton**

Caxton is an award winning fintech payments company which processes tens of millions of international and domestic transactions each year. A pioneer in the payments industry, Caxton is regulated by the Financial Conduct Authority and upholds stringent security standards to create easier, faster, and more client focused payment technology. Offering a proprietary API as well as in-depth currency expertise, Caxton has maximised currency value and minimised risk for clients and card customers since 2002.