

Erste Bank warns against wrong payments on holidays

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- The best solution: a combination of some cash, cash point card and credit card
- Cash withdrawals cheaper with cash point cards, pay higher sums with credit cards
- Change money only in banks, avoid exchange offices

The experts at Erste Bank Oesterreich recommend combining several means of payment when on holiday and to obtain information in advance on the fees. For destinations within Europe, people on holiday fare the best by taking a small part in cash, paying higher amounts with a credit card and using the ATM to withdraw cash. Travel to Turkey, Portugal and Croatia are the best bets – the Euro is worth the most there.

This year, 59 percent of Austrians are planning a summer holiday, but they forget to inform themselves of the payment modes at the destination in time. "Tourists are often astonished by the high fees charged after the trip. So that the rude awakening does not come after the holiday, we would like to give all keen tourists payment tips for abroad now", Manfred Bartalszky, head of product and channel management at Erste Bank Oesterreich explains.

Combination of different means of payment

Erste Bank recommends a combination of various payment methods during stays abroad. "A bit of cash, an ATM card and a credit card should be taken on every trip," says Bartalszky. Payment by MaestroCard (normal 'cash point card') is free in all EU member states with Euro as official currency. Credit cards are very popular amongst travellers due to their security. If the credit card is lost or stolen, the bank will pay for the losses, as long as the owner did not behave carelessly. Within a few days the replacement card is available. Furthermore, many credit cards include travel insurance – the Visa card of Erste Bank includes this protection as well as a free travel cancellation insurance. But Visa and co. are not designed for cash withdrawals and should only be used for this in emergencies due to the relatively high fees.

Travellers' cheques are increasingly becoming less important for conventional trips. "This method of payment is more relevant to exotic countries or if young people make a trip abroad, for example. Then parents can have a better overview of expenditures", says Bartalszky.



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Change money only in banks advisable

There are even differences in the fees charged when converting currencies before leaving. Banks often offer their customers discounts when changing money. "Actively ask for discounts at your bank", recommends Manfred Bartalszky. Erste Bank Oesterreich charges just 1.5 percent fees for purchases made through customer accounts rather than the usual three percent. Fees for changing money differ from country to country. Manfred Bartalszky comments: "As there are no uniform guidelines, conditions vary strongly. Exchange offices can choose the fees themselves, and therefore charge whatever they want. In principle, it's better to make fewer withdrawals of higher amounts, in order to exceed minimum charges." In the holiday destination itself, costs are lowest for classic cash point withdrawals with the bank card (cash point card). Cash withdrawals in the holiday country from cash points with Visa or Mastercard (credit cards) are considerably more costly, and it is advised to avoid this.

For detailed fees, see example calculation attached.

Holiday Euro – Where your money is worth the most

Holidaymakers profit the most from the value of the Euro in Turkey, Portugal and Croatia. A trip to Italy or France is more expensive – the Euro is worth less there than in Austria.

Most popular holiday destinations

2009¹

Value of 100 Euro²

1	Austria	100
2	Italy	98
3	Spain	111
4	Croatia	124
5	Greece	110
6	Germany	102
7	Turkey	130
8	USA	115
9	France	93
10	Portugal	129

¹Source: MindTake New Media Research; April 2009

²Source: Statistik Austria, 18.5.2009

Example: Someone is planning a holiday in Turkey and would like 600 Turkish Lira (TRY) in cash.

Exchange possibilities (exchange rate from June 26, 2008)

Exchanging cash in a bank in Austria

For 600 Turkish Lira, the market value on June 22, 2009 means you will pay 282.78 Euro at Erste Bank. This includes 3% fees (8.24 Euro). Buying the same amount through a customer account means that only a 1.5% fee will be charged (4.12 Euro); that's 278.66 Euro.

Withdrawing money in the holiday destination at cash points with cash point cards (= MaestroCard)

The conversion results from the market value on June 22, 2009 for credit cards issued by Erste Bank.

in Euro outside the EU: 1.82 Euro + 0.75 %

in other currencies: 1.82 Euro + 0.75 %

EUR 281.02 + fees of EUR 3.93 = total sum EUR 284.95

Withdrawals from cash points in holiday destination with credit cards (Visa/Mastercard)

Cash withdrawal in Euro within the EU: 3 % of amount or minimum amount 3.63 Euro

Cash withdrawal in other currency or in Euro outside the EU: 3 % of amount or minimum 3.63 Euro + 1 %

MasterCard EUR 281.02 + fees of EUR 11.24 = total sum EUR 292.27

VisaCard EUR 279.06 + fees of EUR 11.16 = total sum EUR 290.22

Paying directly by card in the holiday destination e.g. in restaurants, shops

MaestroCard EUR 281.02 + fees of EUR 3.20 = total sum EUR 284.22

MasterCard EUR 281.02 + fees of EUR 2.81 = total sum EUR 283.83

VisaCard EUR 279.06 + fees of EUR 2.79 = total sum EUR 281.85

Travellers cheques

Travellers' cheque customer sale

Foreign exchange selling rate

1.00 % commissions minimum 9.50 Euro

Travellers' cheque customer sale

Foreign currency buying rate

0.625 % commission minimum 9.50 Euro

Compared to chain offices, exchange offices at the airport offer the following conditions:

Currency bought/sold: 4 % commission minimum EUR 5.00

Billing for an Erste account: 1.5 % commission minimum EUR 3.50

Travellers cheque purchase: 3.5 % commission - minimum EUR 10.00, per cheque, EUR 2.00 is cleared.

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