

Travel Money - UK - March 2016

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“With the holiday market growing and strong forecasts for overseas expenditure, the travel money market has a positive outlook.”

– Deborah Osguthorpe, Head of UK Financial Services Research

This report looks at the following areas:

- Travel money providers are expanding money management
- Rates and fees are top of mind for consumers
- Pre-holiday travel money purchase is on the decline

Overseas expenditure on holidays is rising year-on-year and is expected to grow 16% by 2020, thanks to the positive outlook for the holiday market in general, and a shift in consumer preferences away from domestic holidays and towards overseas travel. Foreign currency remains the most popular method for spending abroad, and most people obtain at least some of their currency before leaving for their destination. However, the number using credit or debit cards is growing over time, which is increasing the percentage of consumers who obtain their travel money at their destination. This will prove a challenge to the pre-holiday travel money market in the long run.

Although there have been a number of launches of prepaid cards over the last year, usage remains fairly low at 11%, despite awareness of the product being high. A brand's reputation is a key factor in financial services and some of the more innovative prepaid card products are from newer market entrants, limiting their impact overall. For consumers, fees and charges remain an important factor and many holidaymakers will make the effort to get the best deal for their money.

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DID YOU KNOW?

This report is part of a series of reports, produced to provide you with a more holistic view of this market

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Nearly a third of consumers arrange their travel money when abroad

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