

# Travel Money - UK - March 2021

Report Price: £2195 | \$2995 | €2600

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

## This report looks at the following areas:

- The impact of COVID-19 on travel money and the value of overseas expenditure and forecast for the next five years.
- Major market drivers and the competitive strategies of travel money providers during a period of unprecedented market upheaval.
- Consumers' preferred payment methods abroad and channels for arranging travel money for future overseas travel.
- Consumers' preferred timing of arranging travel money and key factors affecting their choice of payment methods abroad.
- Consumers' experiences of travel money problems abroad.

Two thirds of people planning to travel abroad in the next two years say they would prefer to pay for goods and services abroad with cash, well ahead of preferences for credit and debit card payments. This is despite falling use of cash at home and a particular shift away from physical currency during the COVID-19 pandemic.

COVID-19 prompted an estimated 78% drop in the value of overseas spending in 2020 and will continue to dampen demand in the short and medium term. The pandemic has meant most bureaux de change have closed at least temporarily at times over the last year, resulting in an increased reliance on online channels.

As international travel returns, consumers will favour tried-and-tested methods, which is likely to boost demand for physical foreign currency and physical locations. Innovators will find it particularly hard to cut through, and will need to offer a compelling reason for consumers to try something new.

However, there is an opportunity for providers of debit cards that offer fee-free overseas spending to grow their share of overseas expenditure by appealing to consumer demand for fair interest rates and convenience. This



"Travel money providers have suffered an unprecedented drop in demand over the last year, and their future prospects are reliant on recovery in the wider travel industry. This should begin in the second half of 2021 but disruption will persist beyond this."

– Rich Shepherd, Associate Director – Financial Services

## Buy this report now

Visit	store.mintel.com
EMEA	+44 (0) 20 7606 4533
Brazil	0800 095 9094
Americas	+1 (312) 943 5250
China	+86 (21) 6032 7300
APAC	+61 (0) 2 8284 8100



will likely come at the expense of traveller's cheques – which have long been in decline – and pre-paid cards.

## What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

## Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

## Table of Contents

### OVERVIEW

- Key issues covered in this Report
- COVID-19: Market context
- Economic and other assumptions
- Products covered in this Report

### EXECUTIVE SUMMARY

- **Impact of COVID-19 on travel money**

Figure 1: Short, medium and long-term impact of COVID-19 on travel money, February 2021

- **The market**

- **Brits' spending abroad collapsed due to COVID-19**

Figure 2: Market size and forecast for travel money, 2015-25 (prepared on 1 March 2021)

- **COVID-19 restrictions continue to hold back summer plans**

- **Companies and brands**

- **COVID-19 has prompted a change in channel focus**

- **The consumer**

- **Cash is the top choice for overseas spending**

Figure 3: Preferred methods of spending money abroad, December 2020

- **In-store purchases remain the top choice for arranging travel money**

Figure 4: Preferred ways to arrange travel money, December 2020

- **Two thirds would prefer to get travel money in the fortnight before departure**

Figure 5: Preferred timing of arranging travel money, December 2020

- **Exchange rates and security are the top factors when choosing travel money**

Figure 6: Important factors when choosing a payment method for spending money abroad, December 2020

- **Costly overseas foreign exchange is the most common annoyance**

Figure 7: Difficulties faced when using/arranging travel money in the past, December 2020

### ISSUES AND INSIGHTS

- **COVID-19 could threaten preference for cash payments abroad...**
- **...but non-cash options have security concerns to overcome**

### What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

### Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

### Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

- **Online channels have been boosted by the pandemic but stores retain value**

## THE MARKET – KEY TAKEAWAYS

- **Brits' spending abroad collapsed due to COVID-19**
- **Europe continues to dominate spending by region**
- **COVID-19 restrictions continue to hold back summer plans**
- **Sterling performed well against the Dollar in 2020**

## MARKET SIZE AND FORECAST

- **COVID-19 travel restrictions removed most demand for travel money**

Figure 8: Short, medium and long-term impact of COVID-19 on travel money, February 2021

- **Overseas expenditure plummeted in 2020**

Figure 9: Total annual expenditure on overseas trips by UK residents, 2014-20\*

- **Demand for travel will drive up spending, but expenditure will remain subdued**

- **COVID-19 will dictate the pace of the recovery**

Figure 10: Market size and forecast for travel money, 2015-25 (prepared on 1 March 2021)

Figure 11: Market forecast for travel money, 2020-25 (prepared on 1 March 2021)

- **Overseas spending on holidays set to reach £41 billion in 2025**

Figure 12: Market size and forecast for travel money – holidays segment, 2015-25 (prepared on 1 March 2021)

Figure 13: Market forecast for travel money – holidays segment, 2020-25 (prepared on 1 March 2021)

- **Market drivers and assumptions**

Figure 14: Key drivers affecting Mintel's market forecast, 2015-25 (prepared on 5 March 2021)

- **Learnings from the last recession**

Figure 15: Total annual expenditure on overseas trips by UK residents, 2007-12

- **Forecast methodology**

## MARKET SEGMENTATION

- **Europe dominates overseas spend**

Figure 16: Annual expenditure on overseas trips by UK residents, by region of visit, 2010-20\*

## What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

## Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

## MARKET DRIVERS

- **COVID-19 restrictions continue to hold back summer plans**
- **Brexit brings new rules for travel to the EU**
- **Overseas trips fell by two thirds in the first half of 2021**  
Figure 17: Number of overseas trips by UK residents, by purpose of visit, 2016-20
- **European destinations will continue to dominate post-Brexit**  
Figure 18: Number of overseas trips by UK residents, by destination, 2016-20
- **Sterling performed well against the Dollar in 2020**  
Figure 19: Spot exchange rates, monthly average, US Dollar-Sterling and euro-Sterling, January 2016-January 2021

## COMPANIES AND BRANDS – KEY TAKEAWAYS

- **COVID-19 has prompted a change in channel focus**
- **Reassurance is a valuable marketing message**

## COMPETITIVE STRATEGIES

- **COVID-19 prompted trade suspensions and store closures...**
- **...and saw advertising effectively stop**
- **Refund guarantees promoted to offer reassurance against cancellation...**
- **...and clean money services can ease hygiene concerns**
- **Travelex saved by restructuring deal**
- **Familiarity will be highly valued after the pandemic**
- **New Monzo accounts offer boosted overseas ATM allowances**
- **Currensea completes full launch and moves into SME space**
- **bidwedge launches online service to sell leftover currency**

## THE CONSUMER – KEY TAKEAWAYS

- **Preference for cash contrasts with COVID-19 concerns**
- **Online channels and later purchases**
- **Exchange rates and security are the top factors when choosing travel money**
- **Costly overseas foreign exchange is the most common annoyance**

## IMPACT OF COVID-19 ON CONSUMER BEHAVIOUR

- **Holiday bookings have been depressed throughout the pandemic...**  
Figure 20: Actual and planned holiday booking activity in the past/next three months, January 2016-January 2021
- **...and most are waiting to make holiday plans for this year**

## What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

## Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

Figure 21: Booking intentions for main holiday, 21-26 January 2021

- **Strong consumer confidence should boost recovery in travel**

Figure 22: The financial confidence index, January 2016-January 2021

- **Hygiene concerns are pushing people away from everyday cash use**

Figure 23: Impact of COVID-19 on cash use, April 2020-January 2021

#### PREFERRED METHODS OF SPENDING ABROAD

- **Cash is the top choice for overseas spending**

Figure 24: Preferred methods of spending money abroad, December 2020

- **Monzo et al remain Millennial favourites**

Figure 25: Selected preferred methods of spending money abroad, by generation, December 2020

- **Most plan to use two or more spending methods on their next trip**

Figure 26: Number of payment methods that people are likely to use on their next trip abroad, December 2020

Figure 27: Preferred methods of spending money abroad, by number of payment methods that people are likely to use on their next trip abroad, December 2020

#### PREFERRED CHANNELS FOR ARRANGING TRAVEL MONEY

- **In-store purchases remain the top choice for arranging travel money...**

Figure 28: Preferred ways to arrange travel money, December 2020

- **...but online holds mass appeal**

Figure 29: Preferred ways to arrange travel money (NETs), by area, December 2020

#### PREFERRED TIMING OF ARRANGING TRAVEL MONEY

- **Two thirds would prefer to get travel money in the fortnight before departure**

Figure 30: Preferred timing of arranging travel money, December 2020

- **Prioritise at-destination services for younger travellers**

Figure 31: Preferred timing of arranging travel money, by age, December 2020

#### What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

#### Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

#### Buy this report now

Visit [store.mintel.com](https://store.mintel.com)

EMEA +44 (0) 20 7606 4533

Brazil 0800 095 9094

Americas +1 (312) 943 5250

China +86 (21) 6032 7300

APAC +61 (0) 2 8284 8100

The above prices are correct at the time of publication, but are subject to change due to currency fluctuations.

## FACTORS AFFECTING OVERSEAS PAYMENT METHOD CHOICE

- **Just a fifth are influenced by refund guarantees**

Figure 32: Important factors when choosing a payment method for spending money abroad, December 2020

- **Value and security offer opportunities and challenges**
- **Preferential rates for repeat customers would be a major incentive**

Figure 33: Selected important factors when choosing a payment method for spending money abroad, by whether people have been on holiday abroad in the last two years, December 2020

## TRAVEL MONEY EXPERIENCES

- **Costly overseas foreign exchange is the most common annoyance**

Figure 34: Difficulties faced when using/arranging travel money in the past, December 2020

- **One in 10 under-35s have suffered debit/credit card theft abroad**

Figure 35: Difficulties faced when using/arranging travel money in the past, by age, December 2020

- **Negative experiences prompt people to hedge their bets**

Figure 36: Difficulties faced when using/arranging travel money in the past, by number of payment methods that people are likely to use on their next trip abroad, December 2020

## APPENDIX – DATA SOURCES, ABBREVIATIONS AND SUPPORTING INFORMATION

- **Abbreviations**
- **Consumer research methodology**

## APPENDIX – MARKET SIZE AND FORECAST

- **Total market forecast**

Figure 37: Worst case and best case market forecast for travel money, 2020–25 (prepared on 1 March 2021)

- **Holidays segment forecast**

Figure 38: Worst case and best case market forecast for travel money – holidays segment, 2020–25 (prepared on 1 March 2021)

## What's included

Executive Summary

Full Report PDF

Infographic Overview

Powerpoint Presentation

Interactive Databook

Previous editions

## Did you know?

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

All Mintel 2020 reports contain specific COVID-19 related research and forecasts. The world's leading brands rely on Mintel reports for the most complete, objective and actionable market intelligence.

## Buy this report now

Visit	store.mintel.com
EMEA	+44 (0) 20 7606 4533
Brazil	0800 095 9094
Americas	+1 (312) 943 5250
China	+86 (21) 6032 7300
APAC	+61 (0) 2 8284 8100



## About Mintel

Mintel is the **expert in what consumers want and why**. As the world's leading market intelligence agency, our analysis of consumers, markets, product innovation and competitive landscapes provides a unique perspective on global and local economies. Since 1972, our predictive analytics and expert recommendations have enabled our clients to make better business decisions faster

Our purpose is to help businesses and people grow. To find out how we do that, visit **[mintel.com](https://www.mintel.com)**.