

Travel Money - UK - March 2020

Report Price: £1995.00 | \$2693.85 | €2245.17

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



“Consumers’ love of overseas holidays has seen overseas spending by Brits continue to increase despite a reduction in business spending abroad. This demand will remain in the coming years, but travel money providers face a growing threat from digital banks.”

– **Rich Shepherd, Associate Director – Financial Services**

This report looks at the following areas:

- Currency fluctuations could influence post-Brexit destination choices
- Changing travel trends offer travel money opportunities and challenges

**BUY THIS
REPORT NOW**

VISIT:
store.mintel.com

CALL:
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

EMAIL:
reports@mintel.com

DID YOU KNOW?

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

Travel Money - UK - March 2020

Report Price: £1995.00 | \$2693.85 | €2245.17

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

Table of Contents

Overview

What you need to know
Products covered in this Report

Executive Summary

The market

Brits' overseas spending forecast to reach £54 billion in 2024

Figure 1: Forecast for total annual expenditure on overseas trips by UK residents, fan chart, 2014-24

Europe is the top destination for overseas spending

Figure 2: Annual expenditure on overseas trips by UK residents, by region of visit, 2010-19*

Supermarkets, Post Office and specialists lead the market

Figure 3: Travel money arrangements, November 2019

Rates neared record lows in August 2019

Figure 4: Spot exchange rates, monthly average, US Dollar-Sterling and euro-Sterling, January 2010-January 2020

Companies and brands

Travelex cyberattack highlights online vulnerabilities

New card launches and greater customer protection

Retailers benefit from heritage and associations with other categories

Figure 5: Attitudes towards and usage of selected brands, January 2020

The consumer

Cash is king in holiday spending

Figure 6: Methods used to spend money on holiday abroad, November 2019

Debit cards are more commonly used for small amounts

Figure 7: Amount of money spent on most recent holiday abroad, by spending method, November 2019

Seven in 10 arranged travel money in the two weeks before departure

Figure 8: Timing of most expensive transaction to arrange travel money, November 2019

Concerns over local infrastructure keep cash in favour ...

Figure 9: Prompts to choose cash or card to spend money on holiday abroad, November 2019

... while cash is also seen as best for sticking to a budget

Figure 10: Attitudes towards travel money, November 2019

What we think

Issues and Insights

Digital banks are key challengers, but they still have work to do

The facts

The implications

Currency fluctuations could influence post-Brexit destination choices

The facts

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: 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 |

EMAIL: reports@mintel.com

Travel Money - UK - March 2020

Report Price: £1995.00 | \$2693.85 | €2245.17

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

The implications

Changing travel trends offer travel money opportunities and challenges

The facts

The implications

The Market – What You Need to Know

Brits' overseas spending forecast to reach £54 billion in 2024

Europe is the top destination for overseas spending

Supermarkets, Post Office and specialists lead the market

Brexit uncertainty and historic-low rates dampen growth in holiday volumes

Market Size and Forecast

Overseas spending estimated to have reached £47.6 billion in 2019 ...

Figure 11: Total annual expenditure on overseas trips by UK residents, 2010-19*

...and forecast to rise to £54 billion by 2024

Figure 12: Forecast for total annual expenditure on overseas trips by UK residents, fan chart, 2014-24

Figure 13: Forecast for total annual expenditure on overseas trips by UK residents, at current and constant prices, 2014-24

Holidays account for 72% of total overseas spend

Figure 14: Annual expenditure on overseas trips by UK residents, by purpose of visit, 2010-19*

Expenditure on holidays abroad forecast to reach £42 billion by 2024

Figure 15: Forecast for total annual expenditure on overseas holidays by UK residents, fan chart, 2014-24

Figure 16: Forecast for total annual expenditure on overseas holidays by UK residents, at current and constant prices, 2014-24

Forecast methodology

Market Segmentation

Europe accounts for two thirds of overseas expenditure

Figure 17: Annual expenditure on overseas trips by UK residents, by region of visit, 2010-19*

Channels to Market

The vast majority arranged travel money prior to departure ...

Figure 18: Travel money arrangements, November 2019

Supermarkets, Post Office and currency specialists are equally popular

Market Drivers

Brits made 72 million overseas trips in 2019

Figure 19: Number of overseas trips by UK residents, by purpose of visit, 2015-19*

Four fifths of trips were to Europe

Figure 20: Number of overseas trips by UK residents, by destination, 2015-19*

Rates neared record lows in August 2019

Figure 21: Spot exchange rates, monthly average, US Dollar-Sterling and euro-Sterling, January 2010-January 2020

Holiday booking activity remains high

Figure 22: Booked holidays in the last three months and intentions to book a holiday in the next three months, January 2015-December 2019

Brexit will change travel conditions to destinations in the EU

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: 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 |

EMAIL: reports@mintel.com

Travel Money - UK - March 2020

Report Price: £1995.00 | \$2693.85 | €2245.17

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

Companies and Brands – What You Need to Know

- Travelex cyberattack highlights online vulnerabilities
- New card launches and greater customer protection
- Retailers benefit from heritage and associations with other categories

Competitive Strategies and Recent News

- Travelex cyberattack highlights online vulnerabilities
- Eurochange rebranding as NM Money
- Above-the-line advertising plays a limited role in travel money
- Thomas Cook travel money cards to close in April
- New cards
- bunq
- Post Office
- Currensea
- WeSwap hits £250 million milestone and launches partnership with Jet2
- Mastercard blocks Dynamic Currency Conversion on prepaid cards
- Police crackdown on money laundering at bureaux de change

Brand Research

- Brand map
- Retail brands attract greater levels of trust
 - Figure 23: Attitudes towards and usage of selected brands, January 2020
- Key brand metrics
- Half are aware of major currency specialists
 - Figure 24: Key metrics for selected brands, January 2020
- Brand attitudes: Post Office and M&S Bank lead on all metrics
 - Figure 25: Attitudes, by brand, January 2020
- Brand personality: Revolut is the most fun brand
 - Figure 26: Brand personality – macro image, January 2020
- Post Office’s reliability, helpfulness and competence are important for holidaymakers
 - Figure 27: Brand personality – micro image, January 2020
- Brand analysis
- Post Office and M&S Bank reap the benefits of a trusted brand with heritage
- Travelex and Eurochange: competent and reliable specialists
- Revolut and Starling Bank: distinct brands ready to push on

The Consumer – What You Need to Know

- Cash is king in holiday spending
- Debit cards are more commonly used for small amounts
- Seven in 10 arranged travel money in the two weeks before departure
- Concerns over local infrastructure keep cash in favour ...

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com
CALL: 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 |
EMAIL: reports@mintel.com

Travel Money - UK - March 2020

Report Price: £1995.00 | \$2693.85 | €2245.17

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

... while cash is also seen as best for sticking to a budget

Methods of Spending Abroad

Cash dominates holidaymakers' overseas payments

Figure 28: Methods used to spend money on holiday abroad, November 2019

Clear generational differences

Figure 29: Selected methods used to spend money on holiday abroad, by generation, November 2019

Most travellers used more than one payment method on their last trip

Figure 30: Number of methods used to arrange travel money for most recent holiday abroad, November 2019

Value of Spending Money

Debit cards tend to be used for smaller amounts

Credit cards lend themselves to higher value purchases

Figure 31: Amount of money spent on most recent holiday abroad, by spending method, November 2019

Timing of Arranging Travel Money

Seven in 10 arranged travel money in the two weeks before departure

Figure 32: Timing of most expensive transaction to arrange travel money, November 2019

Under-35s are more likely to leave it to the last minute

Figure 33: Timing of most expensive transaction to arrange travel money, by age, November 2019

Influence of Holiday Types on Travel Money

Concerns over local infrastructure keep cash in favour ...

Figure 34: Prompts to choose cash or card to spend money on holiday abroad, November 2019

... while the rise of alternative accommodation could fuel card use

Younger consumers more likely to be influenced by holiday type

Figure 35: Consumers responding "Neither" or "Don't know" to prompts to choose cash or card to spend money on holiday abroad, by age, November 2019

Previous use of methods is also a factor

Figure 36: Prompts to choose cash or card to spend money on holiday abroad, by methods used to spend money on holiday abroad, November 2019

Attitudes towards Travel Money

Half are worried about not being able to use their card abroad

Overcoming fears about card acceptance

Figure 37: Attitudes towards travel money, November 2019

Urban parents with young children are most sensitive to rates

Figure 38: Attitudes towards travel money, CHAID analysis, November 2019

Security is less of an issue than might be expected

Challenging the budgeting power of cash is a route to card use growth

Appendix – Data Sources, Abbreviations and Supporting Information

Abbreviations

Consumer research methodology

Methodology

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: 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 |

EMAIL: reports@mintel.com

Travel Money - UK - March 2020

Report Price: £1995.00 | \$2693.85 | €2245.17

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

Figure 39: Travel Money – CHAID – Table output, November 2019

Appendix – Market Size and Forecast

Market forecast best/worst case outcomes

Figure 40: Best and worst case forecasts for total annual expenditure on overseas trips by UK residents, 2019-24

Figure 41: Best and worst case forecasts for total annual expenditure on overseas holidays by UK residents, 2019-24

Forecast methodology

**BUY THIS
REPORT NOW**

VISIT: store.mintel.com

CALL: 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 |

EMAIL: reports@mintel.com