

# Using your card overseas

## *Advice guide*

Whether you are going overseas on holiday, or for business, paying by card is an extremely convenient, flexible and cost-effective way to pay.

The great benefit of using a debit or credit card is that if you do not get what you paid for, if the goods or services turn out to be faulty or you are a victim of card fraud, you will get your money back.

This guide outlines the benefits of using cards in certain situations, explains charges that may be applied for certain types of transactions and provides advice on how to stay safe from fraud.



## Facts to know when paying by card

If you're using a card, there is also protection offered by the schemes, American Express, MasterCard or Visa both at home and abroad through the process of chargeback. This protection applies equally to credit and debit cards.



Situations where you would receive a refund via the chargeback process include:

- if you do not get what you paid for;
- if goods or services turned out to be faulty or defective;
- if the company you bought the goods or services from has gone out of business; or
- if you are charged the wrong amount, or charged twice by mistake.

You have extra protection if you use a credit card: If you buy something at home or abroad costing over £100 and up to £30,000 with your credit card and the goods are faulty or aren't delivered. Section 75 protections (part of the Consumer Credit Act.1974) entitles you to get your money back if what you bought turns out to be faulty, the company you bought from breaks their contact or does not deliver what they promised.

If you believe you are eligible for this protection, contact your card issuer.

## Charges when paying overseas

In the UK we are used to free transactions when paying by card, or using an ATM. However, while overseas, transactions – including those for cards – sometimes carry a cost.

If you are planning to use a card abroad it is worth knowing about the charges that you may incur. These are explained below but it is important to remember that any charges depend on the type of card

you have (i.e. debit or credit) and your own card issuers' individual fees. You can check the fees for using your credit card on the back of your monthly statement, and the fees for using your debit card will be set out in your card issuer's terms and conditions.

There is a lot of information about the fees for using your card abroad in the travel section of your issuer's website. This includes useful information on:

- the exchange rate used in the conversion of the transaction and where to find this as well as link to an exchange rate database containing at least 12 months data.
- what fees apply in specific circumstances and if more than one fee will apply to the same transaction – e.g. ATM transactions may be subject to a Non-Sterling Cash fee as well as a Non-Sterling Transaction Fee.
- information on the costs of alternative travel money products offered by the provider so that you can make the best choice.
- in the case of credit cards information on whether interest will apply from the date of the transaction.

Some card issuers do not impose fees and charges on foreign transactions – so it is worth shopping around.

## Paying in the local currency or your home currency

Some shops, restaurants and cash machines abroad offer a service called Dynamic Currency Conversion (DCC). This means that when paying by credit or debit card, you are given the option of paying in the local currency – using the exchange rate offered by your card company – or having the transaction converted into your home currency (i.e. Sterling) there and then, using an exchange rate set by the retailer.

Paying in your home currency can be useful for knowing exactly how much will appear on your statement when withdrawing cash at a cash machine or paying for goods or services abroad.

However, you should always be careful that the exchange rate used in the conversion is value for money, as the exchange rate used by the retailer may not be as competitive as the rate offered by your card issuer.

If a retailer is operating DCC, you are always able to choose the currency of the country you are in. If you are in any doubt, ask for the bill in the local currency.

## How does DCC work?

- The retailer or ATM display should ask you before using DCC
- If you say yes, the retailer or ATM will convert your transaction into sterling at an exchange rate of their choosing. This rate may be different than the rate used by your card issuer
- A commission charge may also be added by the retailer or ATM
- The transaction will come to your issuer in sterling, and so will not be processed as a foreign transaction

## Will DCC cost me more than if your issuer converts the transaction?

This will depend on the commission that the foreign retailer or ATM operator is charging. They are obliged to tell you what these charges will be. You can compare them to the charges that your card issuer applies which can be found on the back of your statement or on their travel website pages.

## What to do if DCC is used without your permission

- Remind the retailer that you didn't want them to use DCC and ask for the receipt to be voided (not refunded, as a different exchange rate can sometimes be payable on refunds). Then start the transaction again. If the retailer refuses to do this you can report it to your issuer on your return to the UK. They can seek redress for you if necessary.

## Pre-authorisations

You should ensure that the credit limit on your card is sufficient (or that you have available funds in your account) for the spending you intend to make, especially if you plan to book hotel rooms or hire a car whilst abroad. This is because these types of businesses may pre-authorise transactions when you check in or rent the car. A pre-authorisation earmarks an agreed amount on your account until the time that the transaction is completed (for example, when you return the hire car or check out of the hotel). Whilst the reserved funds never actually leave your account, they are deducted from your available credit limit or balance so, during this time, you may have less to spend on your card than you think.

Businesses use pre-authorisation to confirm that the card used is valid and to ensure that the cardholder has sufficient funds in their account to pay for the goods or services that will be provided.

If a customer were to experience any difficulty in using their card as a result of a pre-authorisation transaction they should contact their card issuer. It is important that for this, and other reasons, you have the 24-hour contact detail of your card issuer with you when you travel overseas.

You should ensure that the credit limit on your card is sufficient (or that you have available funds in your account)

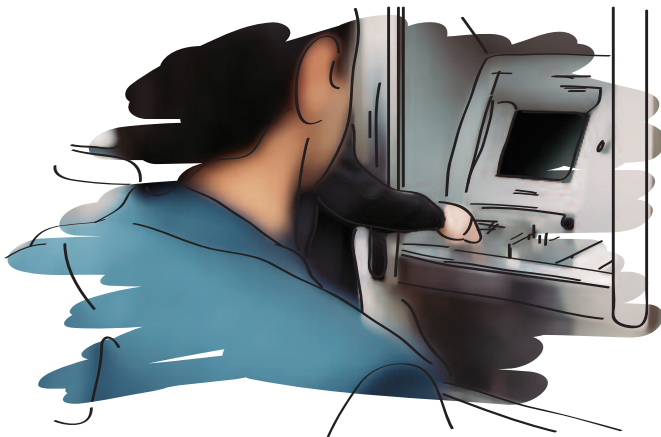
## Staying safe from fraud

Experiencing fraud or not being able to use your cards is a huge inconvenience, especially if you are abroad.

Following some simple, practical precautions before, during and after your trip overseas can help minimise your chances of having any difficulties.

Make sure your card issuer has your up-to date contact details, including a mobile number. If your card issuer detects unusual spending patterns on your card they may try to contact you to check that the transactions are genuine – they could block your card from being used until they can get in touch with you.

It is advisable to have your card issuer's 24-hour contact details in case you have any difficulties. The number will be on the back of your card, your card statement or on their website.



### TOP TIPS: Fraud

#### Before you go overseas:

- Only take cards with you that you plan to use; leave others in a secure place at home.
- Make sure you have your card company's 24-hour contact details.
- Make sure your card company has up-to-date contact details for you, including a mobile telephone number.
- If your cards are registered with a card protection agency, ensure you have their contact details and your policy number with you.

#### When you are overseas:

- Don't let your card out of your sight, especially when using it in restaurants and bars.
- NEVER give your PIN to anyone – even if they claim to be from the police or your card issuer.
- Shield your PIN with your free hand when typing it into a keypad in a shop or at a cash machine.

#### When you get back:

- Check your card statements carefully for unfamiliar transactions.
- If there are any, report them to your card issuer as soon as possible.

### TOP TIPS: General

#### Before you go overseas:

- Check with your card issuer whether there are any restrictions on where you can use your debit and credit card overseas.
- Check your card issuer's respective fees and charges for overseas purchases and cash withdrawals, for both debit and credit cards.
- Check the exchange rates charged for local currency at your destination, so you know the best and cheapest way to get cash.

#### When you are overseas:

- If you buy something with your credit card costing between £100 and £30,000 you have extra protection if the goods are faulty or not delivered. Debit card issuers also offer similar type protection as part of their customer services.
- A retailer or ATM may give you the choice of paying in your home currency or the local currency. If you pay in your home currency, make sure the exchange rate is competitive. If you are in any doubt, pay the bill in the local currency as it will generally be cheaper.

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[www.theukcardsassociation.co.uk](http://www.theukcardsassociation.co.uk)