



MEDIA RELEASE
October 12 2018

INTERNATIONAL TRANSACTION FEES COSTING KIWIS MILLIONS EVERY YEAR

New Zealand residents took a record 2.9 million trips overseas in 2017*. One of the most popular ways for Kiwis to spend while abroad - a bank credit or debit card.

And with this the dreaded international transaction fee.

This fee is responsible for most of the extra charges seen on a bank statement while using a credit or debit card overseas. It goes by a few names such as a foreign transaction fee, foreign currency conversion fee, or cross currency conversion fee.

In short, these are the bank's way of charging for having to do a transfer to a foreign currency. The bank fees in New Zealand vary between 1.85% - 2.6% of the transaction, averaging 2.3%.

This means if you use your credit card overseas to pay \$3,000 for a hotel, you've instantly spent \$69 on currency conversion fees. \$100 for dinner, and that's another \$2.30 gone. Over an entire holiday, this adds up.

According to data from Flight Centre Mastercard, the average international spend on the card at Flight Centres most travelled to holiday destinations is approximately \$700NZD.

That means if all 2.9 million of the Kiwis travelling overseas in 2017 used a bank credit or debit card, the amount charged in international transaction fees would be nearing \$50 million NZD**.

In the business of creating amazing travel experiences for New Zealanders, Flight Centre NZ managing director David Coombes, says Kiwis should be able to have a reliable and secure way to spend money overseas without large portions being eaten up by bank fees.

So, in a bold and exciting move, all international transaction fees have been removed from the popular **Flight Centre MasterCard** powered by FlexiGroup New Zealand. This means Flight Centre Mastercard is now the first and **ONLY** credit card available in New Zealand to offer this.

"We constantly get feedback from our customers that they struggle to understand their bank credit and debit card fees while abroad, and that they don't know what other options are available as it's not safe to travel with large amounts of cash - I'm proud that we're now able to provide a solution."

FlexiGroup New Zealand CEO Chris Lamers, says it's exciting to be challenging the status quo by removing the international transaction fee.

"Across the FlexiGroup NZ portfolio of consumer products, travel accounts for one in five transactions, and we know our Flight Centre Mastercard customers love having a credit card that delivers real benefits both here in New Zealand and overseas."

Along with no international transaction fees, travellers can also earn Flight Centre Rewards on all transactions made with the card. These can be redeemed on any airline, hotel, tour, cruise, car hire or sightseeing deals offered at Flight Centre.

Confusion around international transaction fees are not only felt here in New Zealand. In Australia an investigation has recently been launched into banks international transaction fees.

Australian Treasurer Josh Frydenberg this month rubber-stamped an Australian Competition and Consumer Commission (ACCC) inquiry into foreign currency conversion fees, citing fees are higher in Australia than other countries and that consumers struggle to understand and compare the different types of prices charged.

- ENDS -

Overseas international transaction fees - New Zealand credit and debit card providers:

Provider	International Transaction Fee***
Flight Centre Mastercard	0%
ASB credit & debit cards	2.1%
BNZ credit & debit cards	2.25%
ANZ, TSB, Westpac credit & debit cards	2.5%
Co-operative Bank credit & debit cards	2.6%
Kiwibank credit card	1.85%

Key Flight Centre Mastercard benefits include:

- **No international transaction fee:** Enjoy spending around the world with no international transaction fees.
- **Free Wi-Fi:** access to over one million Wi-Fi hotspots around the world, including New Zealand, at no added cost
- **Double the rewards:** on in-store and online purchases at Flight Centre New Zealand
- **Reliability and security:** Global acceptance and zero liability protection
- **Travel now pay later:** breathing space to pay for your holiday over time

* Data sourced from [Stats NZ](#)

**\$46.7m based on an average international transaction fee of 2.3%.

***Data sourced from [MoneyHub](#) (last updated 8 October 2018)

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