MONEY TRANSFER COMPARISON

Are Australian businesses failing to check exchange rates when making international payments?

A Money Transfer Comparison Study

February

2023

ABOUT THE STUDY

Money Transfer Comparison commissioned a survey of 250 Australian business owners to gauge whether they shop around for the best exchange rate before making international payments or money transfers. Survey respondents were also asked whether they were surprised by the high exchange rate when making overseas payments.

Money Transfer Comparison surveyed Australian businesses across different business sizes:

1. micro (1-10 employees);
2. small (11-50 employees);
3. medium (51-200 employees);
4. large (more than 200 employees).

Do Australian businesses check the exchange rate before making overseas payments?

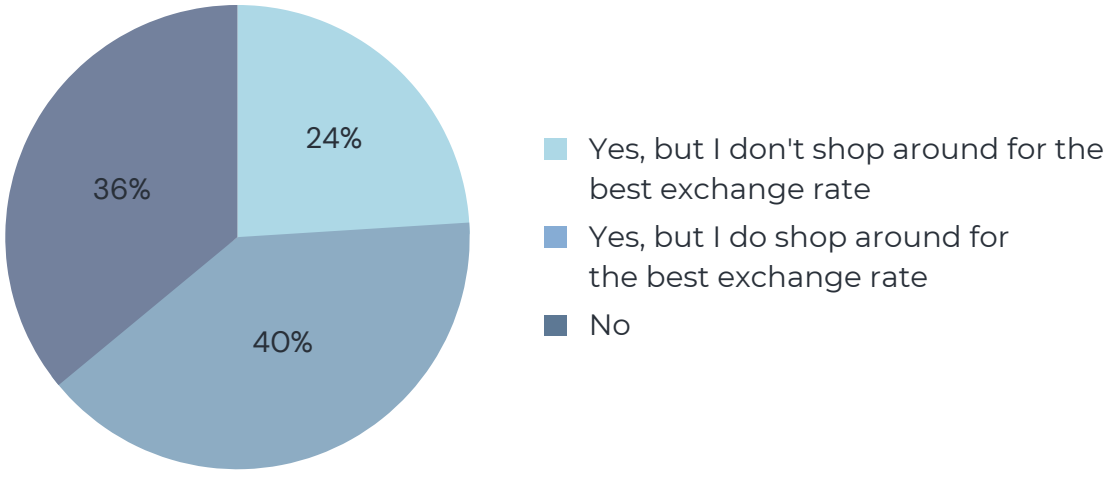
Money Transfer Comparison asked Australian businesses whether they check exchange rates, and shop around for the best rate, before making international payments or money transfers. Nearly two-thirds (60 per cent) admitted they fail to check the exchange rate or shop around.

Specifically, more than a third (36 per cent) admitted they don't check or shop around for the best exchange rate at all.

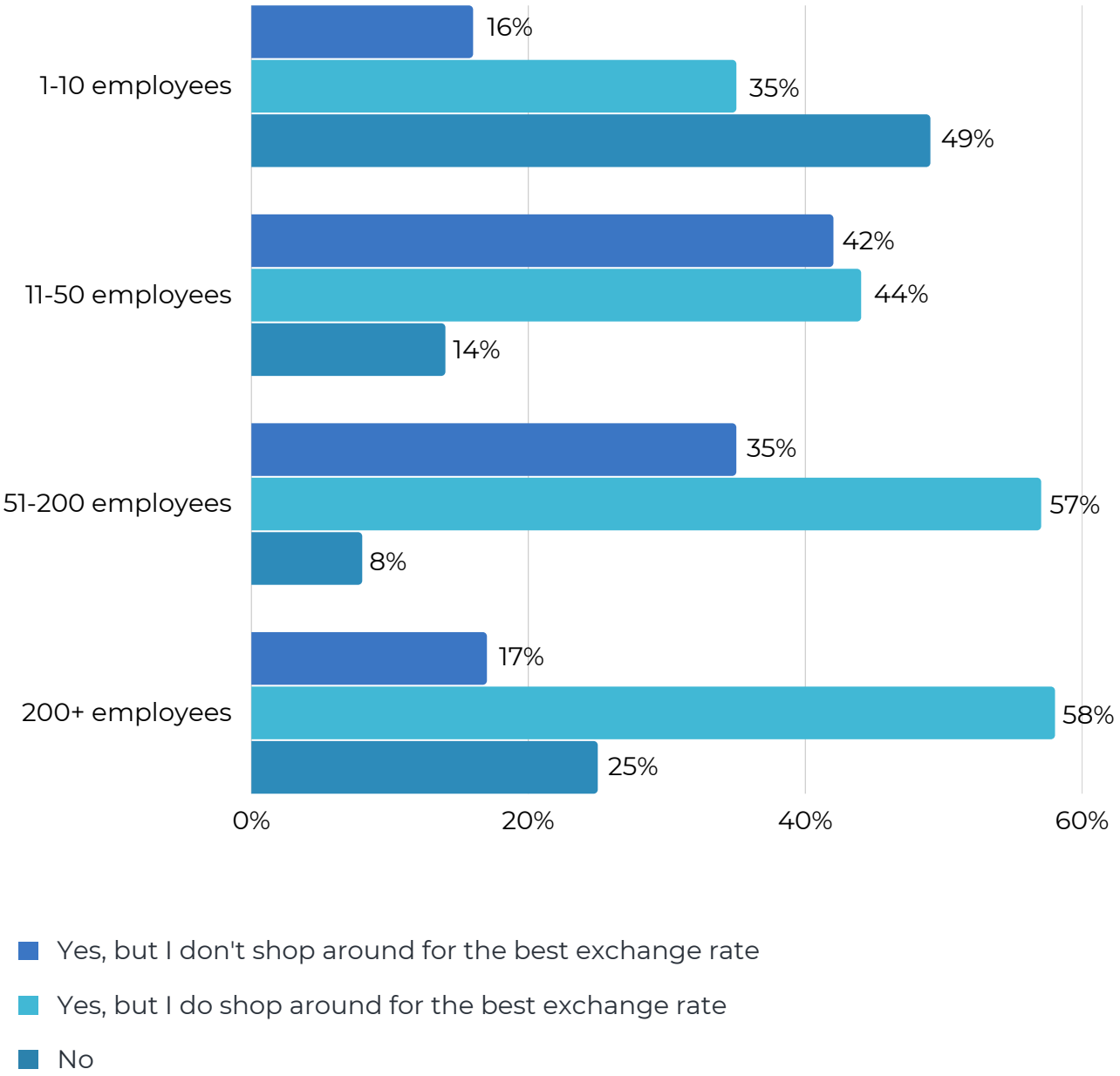
SA quarter (24 per cent) admitted that while they check exchange rates, they don't shop around for the best rate.

Forty (40) per cent indicated they check exchange rates and shop around for the best one before making payments.

When making an international payment or money transfer, do you check the exchange rate?



Do Australian businesses check the exchange rate before making overseas payments? By business size.



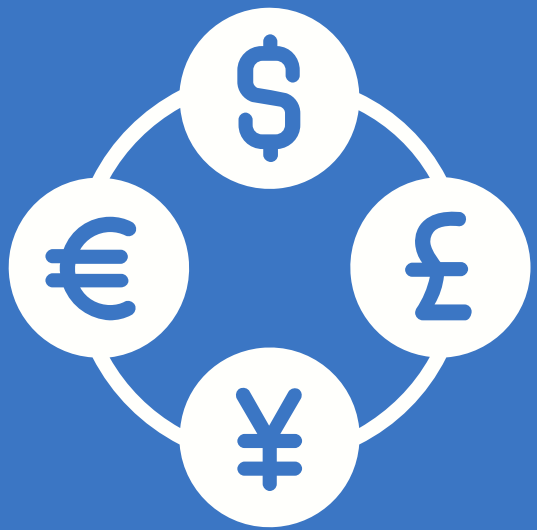
The survey found that larger businesses are more likely to check exchange rates and shop around for the best rate. More than half (58 per cent) of large businesses, 44 per cent of small businesses, and 35 per cent of micro businesses.

What are the State-based trends?

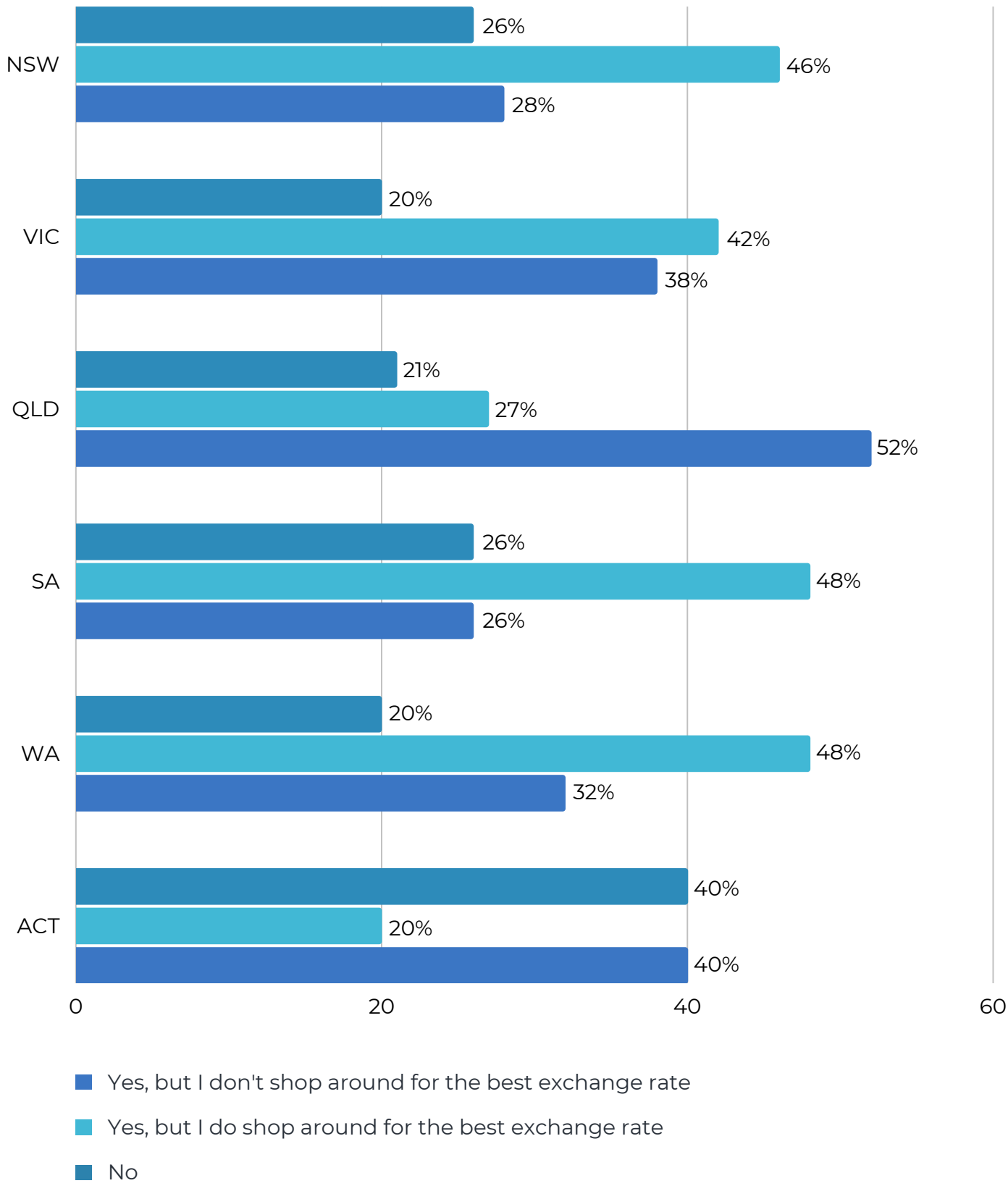
Money Transfer Comparison found that businesses headquartered in Queensland were the least likely to check exchange rates and shop around for the best rate before making international payments.

More than half (52 per cent) of those businesses admitted to neglecting this activity, compared with 38 per cent of Victorian businesses, 32 per cent of West Australian businesses, 28 per cent of NSW businesses and 26 per cent of South Australian businesses.

A similar proportion of businesses across the States indicated they do check the exchange rate but don't shop around for the best rate before making a payment or transfer. Specifically, 26 per cent of South Australian and NSW businesses chose this response, followed by 21 per cent of Queensland businesses and 20 per cent of Victorian and West Australian businesses.

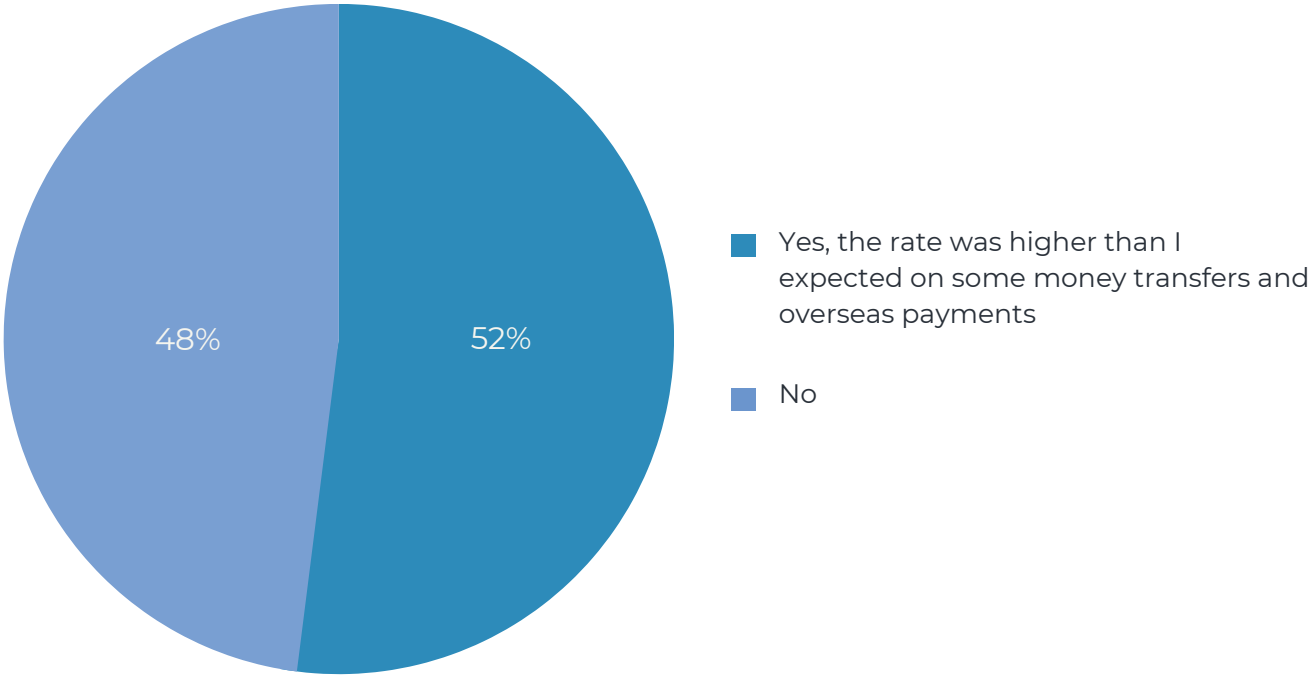


Do Australian businesses check the exchange rate before making overseas payments? By State.

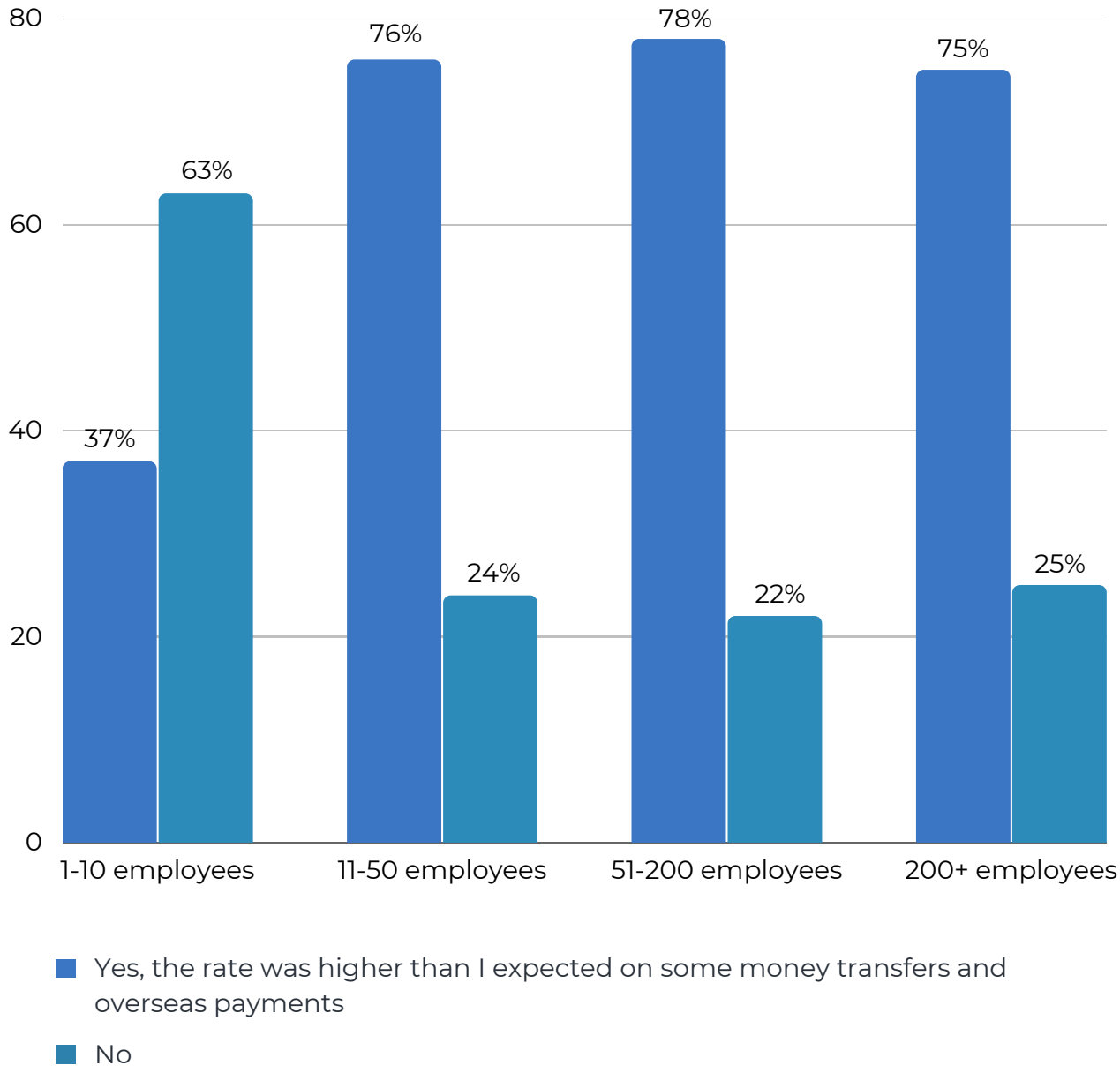


Are Australian businesses surprised by the exchange rate and fees on their statement after making an overseas payment?

Money Transfer Comparison asked respondents whether they have been surprised by the high exchange rate and fees that appeared on their statement after making an overseas payment or money transfer. More than half (52 per cent) admitted the rate was higher than anticipated when they have made such payments.



Are Australian businesses surprised by the exchange rate and fees on their statement after making an overseas payment? By business size.



Money Transfer Comparison found that the larger the business, the more likely they were to be surprised by the high rate and fees that appeared on their statement after making an international payment. Three-quarters (77 per cent) of medium to large businesses had paid a higher rate than expected, followed by 76 per cent of small businesses and compared with 37 per cent of micro businesses.

More businesses headquartered in South Australia (63 per cent) face unexpected rates and fees on their international payments and transfers. This was followed by 62 per cent of NSW businesses, and compared with 48 per cent of West Australian businesses, 45 per cent of Victorian businesses and 42 per cent of Queensland businesses.

Are Australian businesses surprised by the exchange rate and fees on their statement after making an overseas payment? By State.

Response	State (%)					
	NSW	VIC	QLD	SA	WA	ACT
Yes, the rate was higher than I expected on some money transfers and overseas payments	62	45	42	63	48	80
No	38	55	58	37	52	20