



**MONEY TRANSFER
COMPARISON**

June 2023

HOW MANY AUSSIES ARE IGNORANT ABOUT THE MEANING OF EXCHANGE RATES AND INTERNATIONAL TRANSFER FEES?

A Money Transfer Comparison Study



ABOUT THE STUDY

Money Transfer Comparison commissioned a survey of 1002 Australians to gauge how many truly understand the meaning of exchange rates and international transfer fees.

The survey asked respondents to select the true statements about exchange rates. Respondents could select more than one statement. The statements they reviewed were:

- An exchange rate is a fee that the bank adds to every international money transfer. (FALSE)
- The exchange rate from the AUD is the same for all international transfers. (FALSE)
- Currency exchange rates do not vary across banks and other money transfer providers. (FALSE)
- None of the above statements are correct. (TRUE)

The survey also asked respondents to select the true statements regarding international money transfer fees. Respondents could select more than one statement. The statements are:

- Banks usually charge a fee for every international money transfer. (TRUE)
- Financial institutions charge transfer fees on every overseas money transfer to ensure the currency being transferred is the equivalent amount in the other country's currency. (TRUE)
- Exchange rates are fixed, while international money transfer fees charged by the banks can vary from day to day. (FALSE)
- None of the above statements are correct. (FALSE)

The survey respondents cover a geographical and population spread that is reflective of the Australian population.

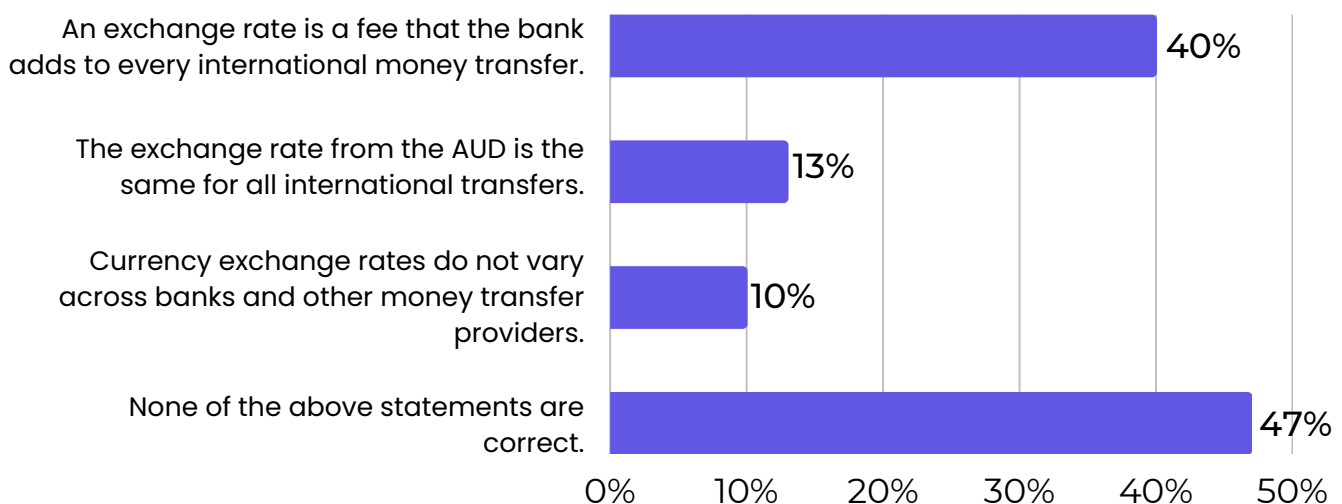
HOW MANY AUSSIES CAN DEFINE THE MEANING OF AN 'EXCHANGE RATE'?

Money Transfer Comparison found that more than half (53%) of Australians do not understand what an 'exchange rate' is, with only 47 per cent of respondents selecting the correct statement (None of the above statements are correct).

More specifically, most respondents falsely believe that an exchange rate is a fee that the bank adds to every international money transfer (40%). This is followed by:

- 13% falsely believe the exchange rate from AUD is the same for all international transfers.
- 10% falsely believe currency exchange rates do not vary across banks and other money transfer providers.

Regarding exchange rates, which statements do you believe to be true?



BY STATE.

Across the major states and territories, respondents in Victoria are least likely to understand the meaning of an 'exchange rate' with only 43 per cent selecting the correct statement (None of the above). This is followed by NSW (45%), Queensland (46%) and West Australia (49%). The survey found that South Australians are the most likely State to properly understand exchange rates at 57 per cent.

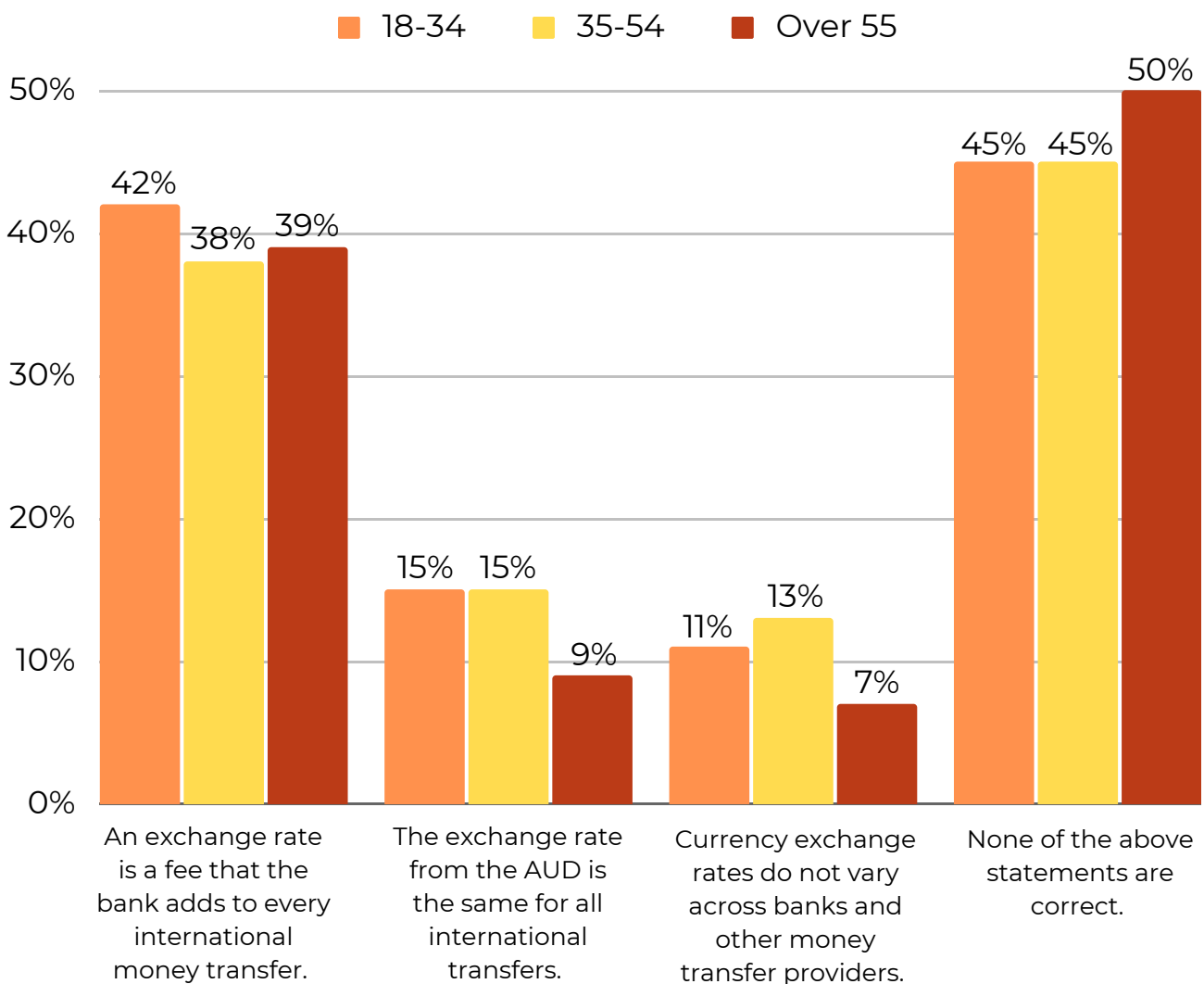
Victorians are also most likely to falsely believe that an exchange rate is a fee that the bank adds to every international money transfer (44%). West Australians are most likely to falsely believe the exchange rate from the AUD is the same for all international transfers (15%) and 14 per cent of Queenslanders are falsely convinced that currency exchange rates do not vary across banks and other money transfer providers.

Response	State (%)				
	NSW	VIC	QLD	SA	WA
An exchange rate is a fee that the bank adds to every international money transfer. (FALSE)	41	44	39	32	38
The exchange rate from the AUD is the same for all international transfers. (FALSE)	12	14	12	16	15
Currency exchange rates do not vary across banks and other money transfer providers. (FALSE)	9	12	14	7	10
None of the above statements are correct. (TRUE)	45	43	46	57	49

BY AGE.

Respondents over 55 were deemed to have the strongest understanding of exchange rates with 50 per cent of the respondents selecting the correct statement. Younger respondents aged 18-34 were most likely to lack proper understanding around exchange rates with 68 per cent selecting false statements followed by 66 per cent of 35-54-year-olds.

More specifically, 42 per cent of 18-34-year-olds falsely believe an exchange rate is a fee from a bank added to every international transfer and 13 per cent of 35-54-year-olds incorrectly believe that currency exchange rates do not vary across banks and transfer providers.

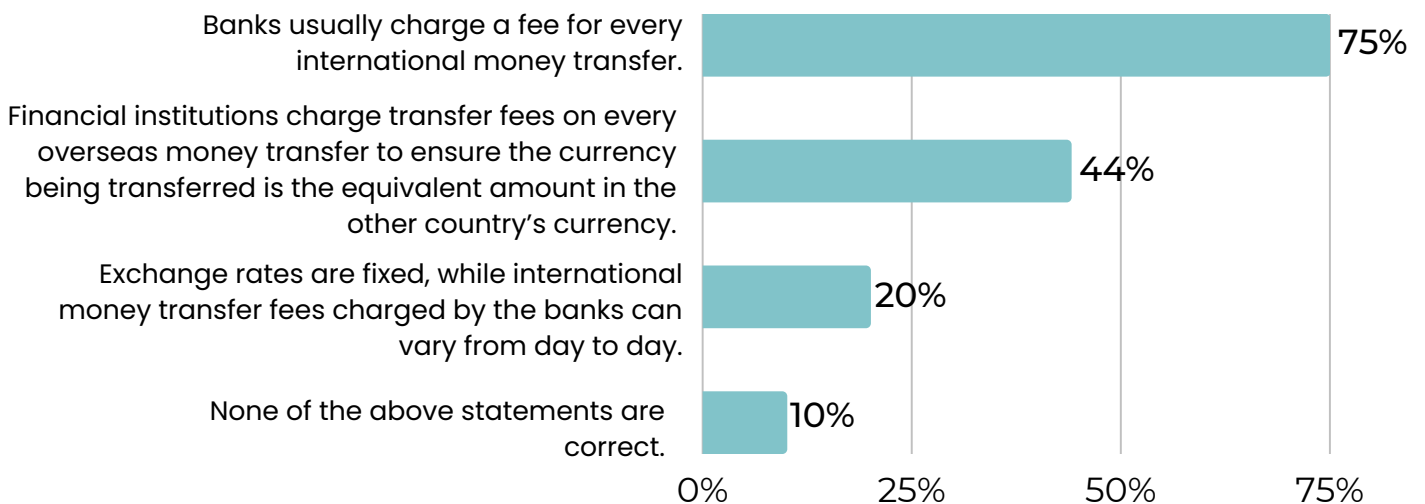


HOW MANY AUSSIES ARE NAÏVE ABOUT INTERNATIONAL MONEY TRANSFER FEES?

The survey found 30 per cent of Australians lack the proper understanding of international money transfer fees with 20 per cent falsely believing that exchange rates are fixed, while international money transfer fees charged by banks can vary day to day and 10 per cent believing that all listed statements were incorrect.

Three quarters (75%) of respondents correctly believe that banks charge a fee for every international transfer, followed by 44 per cent who correctly believe financial institutions charge transfer fees on every overseas transfer to ensure the currency being transferred is the equivalent amount in the other country's currency.

Regarding international transfer fees, which statements do you believe to be true?



BY STATE.

Money Transfer Comparison found Queenslanders to have the lowest understanding of international money transfer fees with 34 per cent of the respondents selecting incorrect statements. This is followed by, 32 per cent of South Australians, 30 per cent of Victorians, 28 per cent of NSW respondents and 26 per cent of West Australians.

Across the States, most Aussies correctly believe that banks usually charge a fee for every international money transfer with the highest number of respondents in NSW (81%), followed by West Australians (78%), South Australians (73%), Queenslanders (72%) and Victorians (71%).

Response	State (%)				
	NSW	VIC	QLD	SA	WA
Banks usually charge a fee for every international money transfer. (TRUE)	81	71	72	73	78
Financial institutions charge transfer fees on every overseas money transfer to ensure the currency being transferred is the equivalent amount in the other country's currency. (TRUE)	45	44	45	37	42
Exchange rates are fixed, while international money transfer fees charged by the banks can vary from day to day. (FALSE)	21	19	23	16	17
None of these statements correctly define an international transfer fee. (FALSE)	7	11	11	16	9

BY AGE.

Across the age groups, respondents aged 35-54 are most likely to lack understanding around international transfer fees with 32 per cent selecting incorrect statements about transfer fees. This is followed by:

- 31% of 18-34-year-olds
- 29% of Over 55s

More specifically, 22 per cent falsely believe that international money transfer fees vary day to day whilst exchange rates remain fixed. The same belief is followed by:

- 21% of 18-34-year-olds
- 18% of Over 55s

