Why are Australian businesses still relying on their credit cards for overseas spending?

November 2023

MONEY TRANSFER COMPARISON

ABOUT THE STUDY

Money Transfer Comparison commissioned a survey of an independent panel of business owners and decision makers to find out how many Australian businesses still use a credit card when making overseas payments, including international purchases over $2000.

Respondents were also asked to select the top reasons why they opt for their credit cards when making international purchases. They could choose all that apply from the list below:

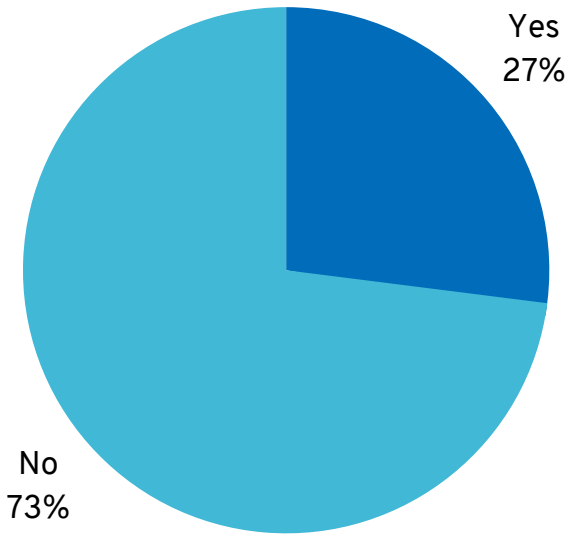
- Convenience – easy to pull out my credit card.
- Lack of time to search for other payment methods.
- I don't know of any other payment methods.
- Other payment methods seem too complicated.
- I don't think other payment methods would give me worthwhile savings.

Money Transfer Comparison surveyed 202 owners and senior decision-makers across the full SME spectrum: micro (1-4 employees), small (5-19 employees), and medium-sized (20-200 employees) businesses.

HOW MANY BUSINESSES WILL BE MAKING OVERSEAS PAYMENTS IN FY24?

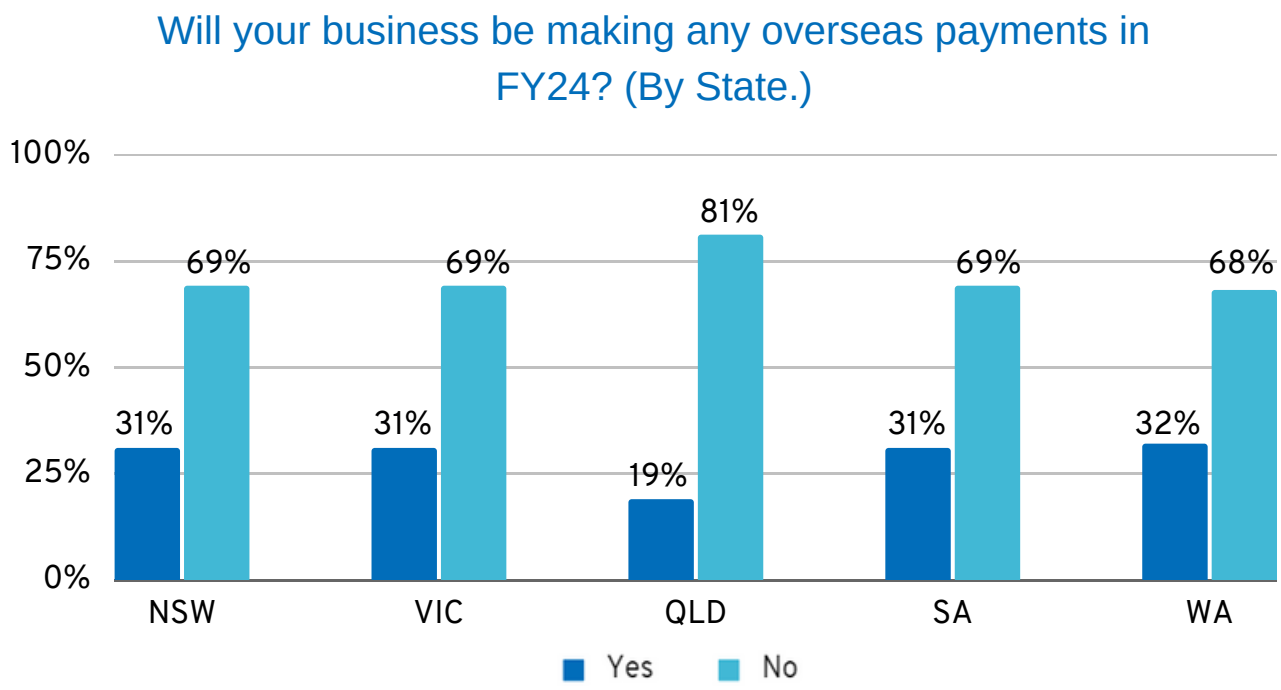
The study found that in FY24, over a quarter (27%) of Australian businesses intend to make international payments; 73 per cent do not plan on doing the same.

Will your business be making any overseas payments in FY24?



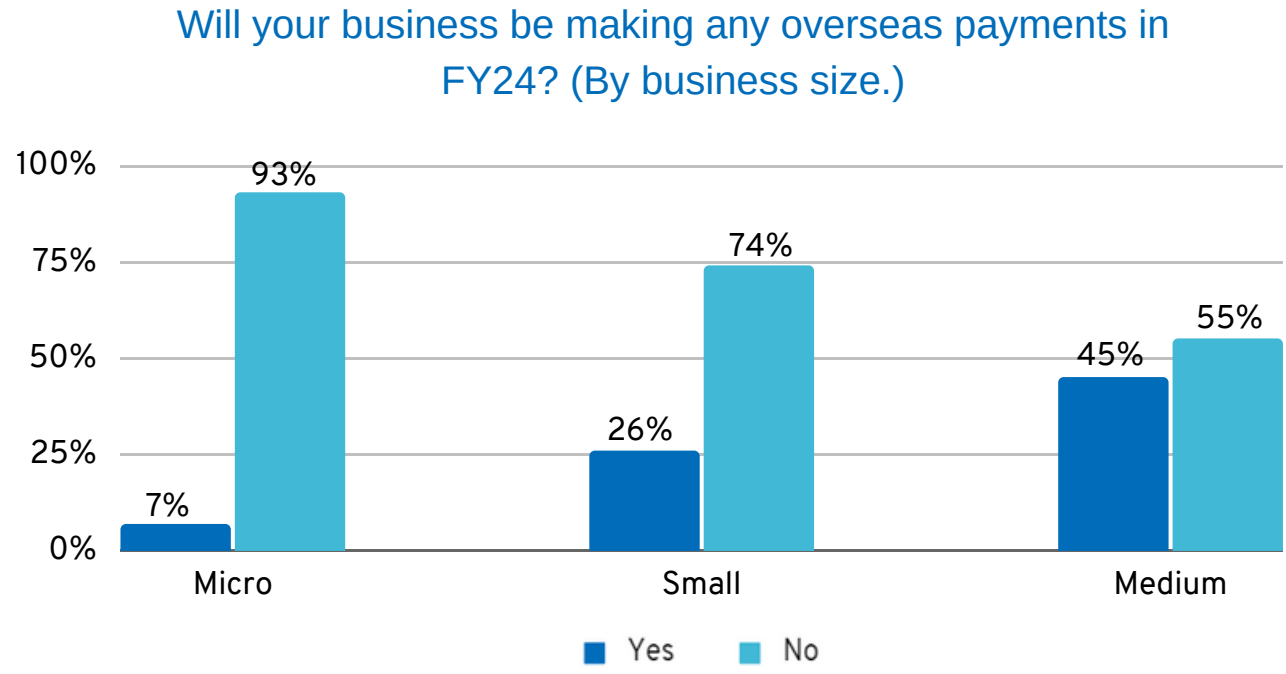
BY STATE.

Similar responses were shared across the states, with 32 per cent of WA businesses planning to make international payments in FY24, followed by 31 per cent of NSW, Victorian, and SA businesses, and 19 per cent of Queensland businesses.



BY BUSINESS SIZE.

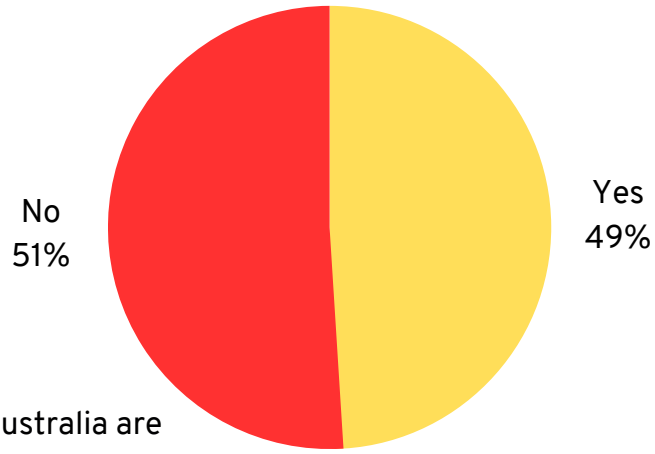
Nearly half of all medium-sized businesses are looking to make overseas purchases in FY24. This is compares with over a quarter (26%) of small businesses and only a mere 7 per cent of micro businesses.



HOW MANY BUSINESSES WOULD AUTOMATICALLY USE A CREDIT CARD WHEN MAKING OVERSEAS PAYMENTS OF $2000 OR MORE?

Money Transfer Comparison found an almost evenly divided split between businesses that plan to use a credit card for overseas purchases over $2000 (49%) or another method (51%).

When making overseas payments of $2000 or more, would your business automatically use a credit card?

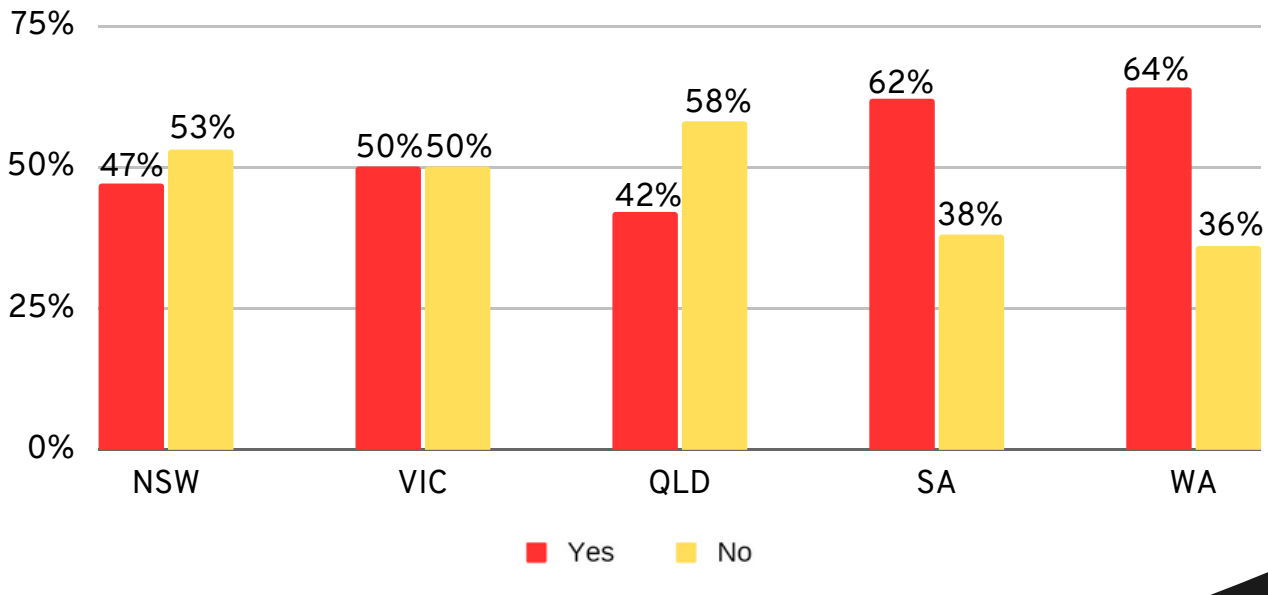


BY STATE.

Businesses in Western Australia and South Australia are both more likely to automatically use a credit card for overseas purchases over $2000, at 64 per cent and 62 per cent respectively. This is followed by:

- 50% of Victorian businesses
- 47% of businesses in NSW
- 42% of Queensland businesses

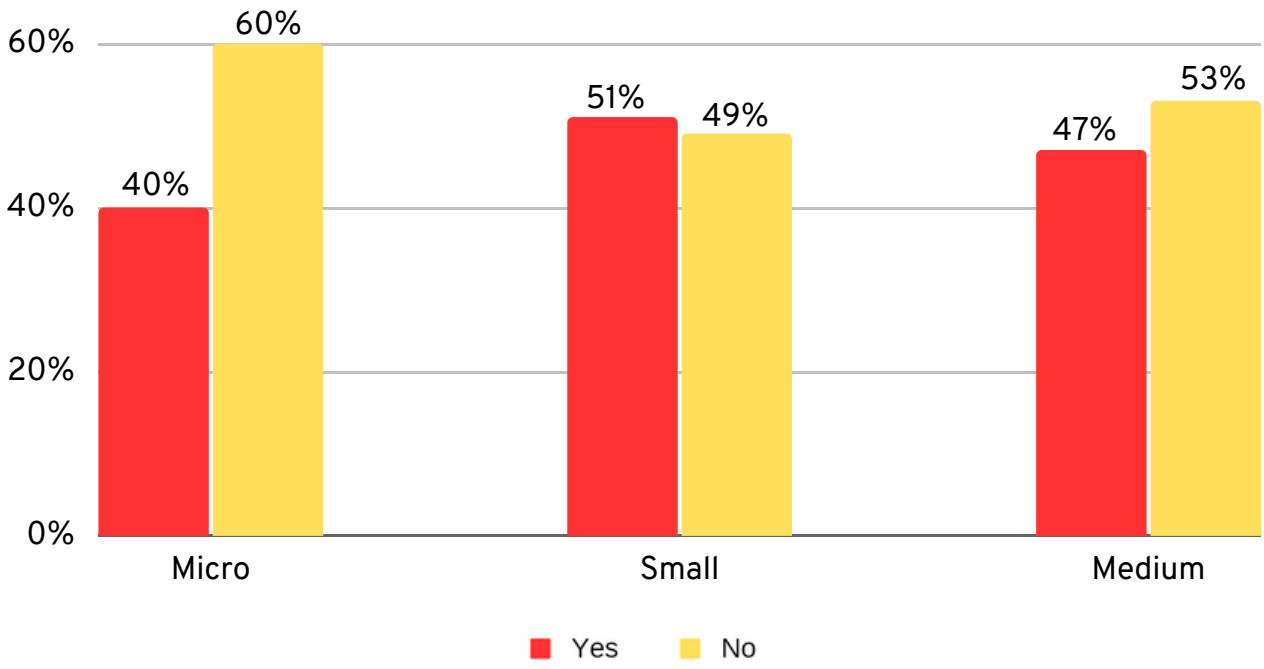
When making overseas payments of $2000 or more, would your business automatically use a credit card? (By State.)



BY BUSINESS SIZE.

Across the business sizes, small businesses are most likely to automatically use a credit card to pay for overseas purchases greater than $2000, with 51 per cent stating so. This compares with 47 per cent of medium-sized businesses and 40 per cent of micro businesses.

When making overseas payments of $2000 or more, would your business automatically use a credit card? (By business size.)



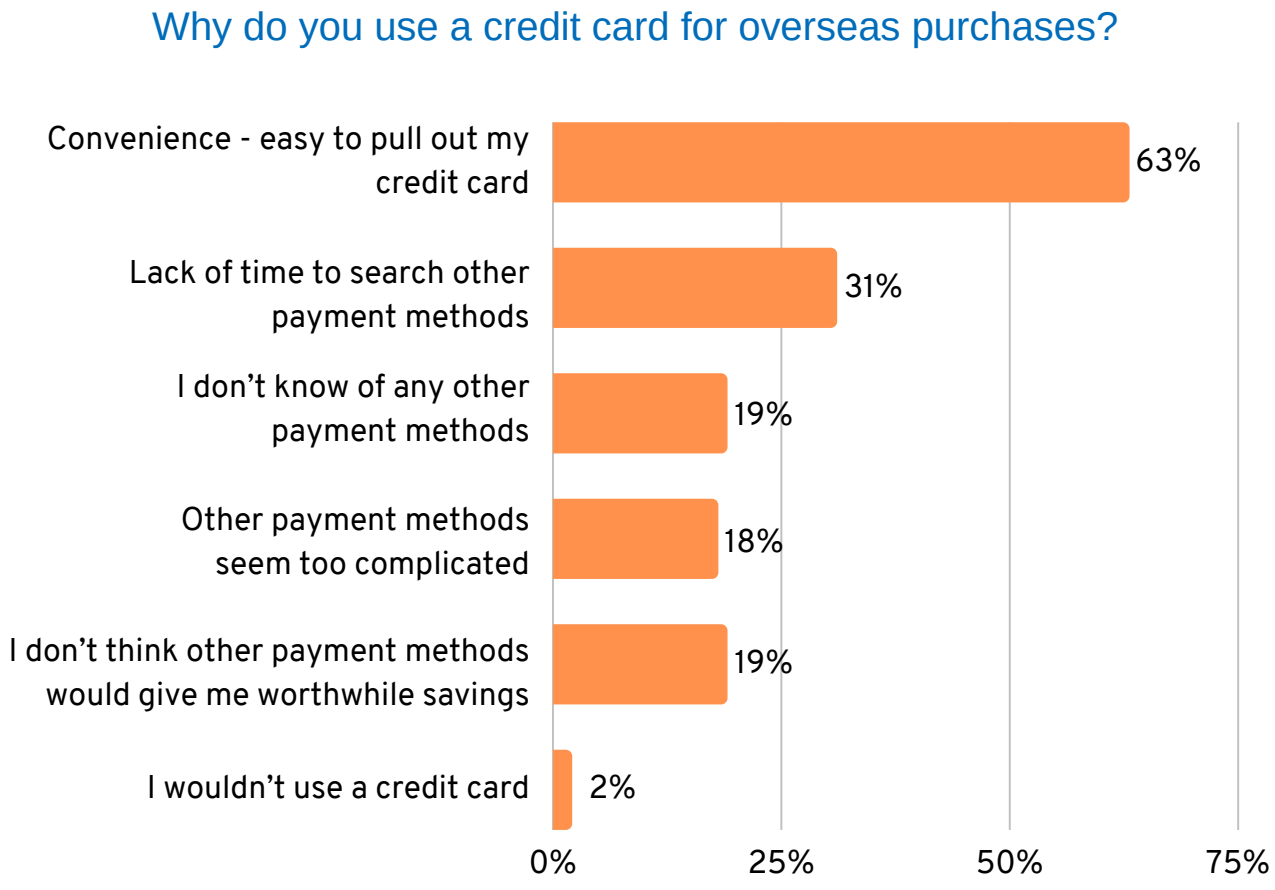
WHY ARE BUSINESSES OPTING FOR CREDIT CARDS TO MAKE OVERSEAS PURCHASES?

Money Transfer Comparison found the most common reason that businesses opt to use credit cards when making international purchases of any amount is due to convenience (with 63% choosing this option). Thirty-one (31) per cent stated they don't have enough time to search elsewhere for other payment methods.

Other findings include:

- 19% of businesses aren't aware of any other payment methods.
- 19% don't think other payment methods would give them worthwhile savings.
- 18% think other payment methods are too complicated.

Of those businesses surveyed, only two (2) per cent stated that they wouldn't use a credit card.



BY STATE.

Across the states, businesses in Victoria are most likely to opt for their credit card when making purchases for any amount due to convenience (77%). This is followed by 66 per cent of businesses in NSW, 61 per cent of businesses in Queensland, 50 per cent of WA businesses and only 38 per cent of SA businesses.

Half (50%) of businesses in South Australia stated that they simply don't have time to research other payment methods, alongside 43 per cent of WA businesses.

Thirty-one (31) per cent of businesses in Victoria don't believe that opting for other payment methods would give them worthwhile savings, followed by 25 per cent of SA businesses, 22 per cent of Queensland businesses and 14 per cent of businesses in NSW. Only 7 per cent of WA businesses don't think other payment methods would help them generate savings.

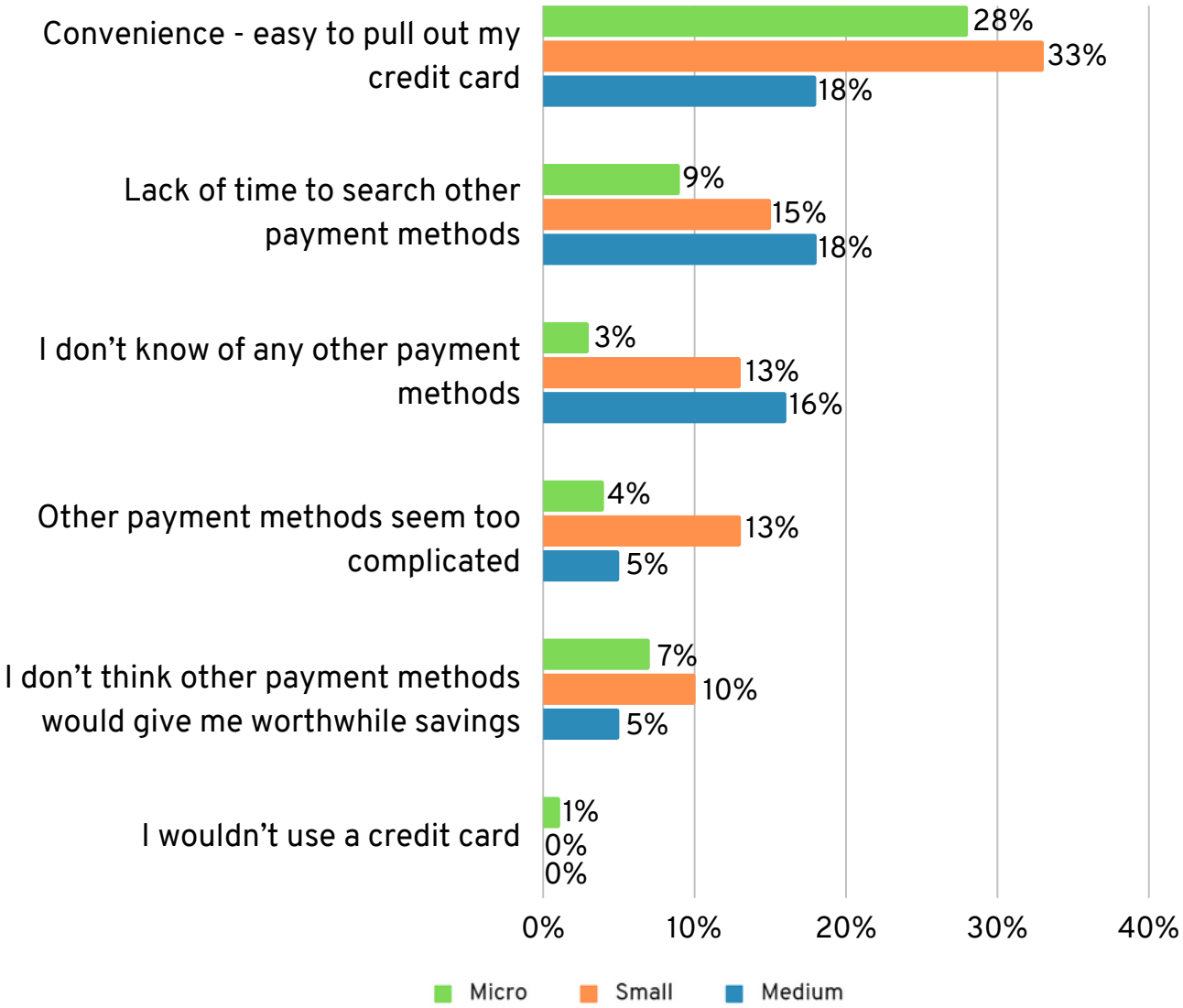
Why do you use a credit card for overseas purchases? (By State.)

Response	State (%)				
	NSW	VIC	QLD	SA	WA
Convenience – easy to pull out my credit card	66%	73%	61%	38%	50%
Lack of time to search other payment methods	35%	31%	17%	50%	43%
I don't know of any other payment methods	21%	15%	17%	50%	7%
Other payment methods seem too complicated	28%	19%	11%	25%	7%
I don't think other payment methods would give me worthwhile savings	14%	31%	22%	25%	7%
I wouldn't use a credit card	0%	0%	6%	0%	7%

BY BUSINESS SIZE.

Across the business sizes, small businesses are more likely to use a credit card due to convenience (33%) when making overseas purchases than any other business size. They are also more likely to think other payment methods are too complicated (13%), and they wouldn't be reaping any worthwhile savings by selecting an alternative payment method (10%).

Medium-sized businesses are more likely to opt for a credit card due to their lack of time to research alternative payment methods (18%), compared with 15 per cent of small and 9 per cent of micro businesses.

Money Transfer Comparison found every small and medium-sized business opts for a credit card when conducting global transactions, while just one (1) per cent of micro-businesses do not.

Why do you use a credit card for overseas purchases?
(By business size.)