



# METHODOLOGY

## TRAVEL MONEY CARDS

### What are the CANSTAR Travel Money Cards Star Ratings?

*CANSTAR Travel Money Cards Star Ratings* use a sophisticated and unique ratings methodology that compares both cost and features across travel money cards. CANSTAR star ratings represent a shortlist of travel money cards, enabling consumers to narrow their search to travel money cards that have been independently assessed and ranked. CANSTAR's *Travel Money Cards Star Ratings* are a transparent analysis comparing a range of travel money cards across the market.

Ratings range from five to three stars. Five-star rated travel money cards have been assessed as offering outstanding value to consumers.

The title of **"Outstanding Value Travel Money Cards"** is awarded to institutions that obtain a five-star rating based on performance across judging criteria set down by CANSTAR.



### What is a Travel Money Card?

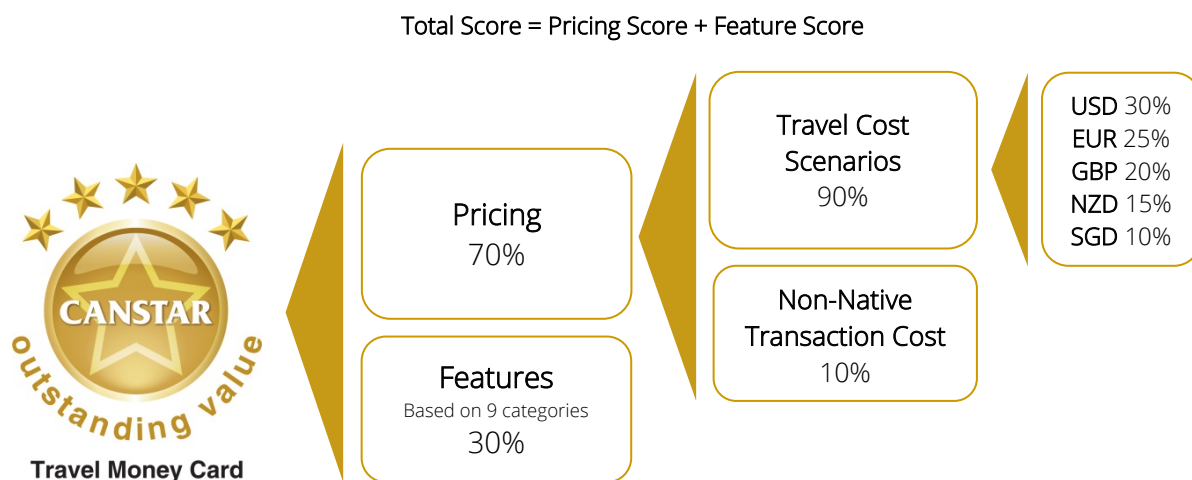
A Travel Money Card is a product that allows you to preload the currency of your choice to meet your travel expenses while overseas. You can lock in the exchange rate when you purchase and load the card, or at a later date.

To be eligible for consideration in the CANSTAR Star Ratings, each product must:

- Have the ability to store multiple foreign currencies on one card.
- Allow you to lock in an exchange rate before travel.
- Allow you to use your own funds – no credit or borrowing is allowed.
- Provide an up-to-date exchange rate on its website.

## How are the 'stars' calculated?

To arrive at the total score CANSTAR, applies a weight against a Pricing and Feature Score. The total score for each travel money card is weighted 70% towards Price and 30% towards Features.



## Pricing Score

There are many different fee structures in the Travel Money Card market. Some providers charge for ATM withdrawals in foreign countries and others do not. There are products where the initial load is free but subsequent reloads are not, and some where there are almost no fees at all. When exchanging many thousands of dollars into a foreign currency, in many cases, the exchange rate applied to the purchase is the largest part of the overall cost of the transaction, even though few or no direct fees are being charged to the customer.

To find the overall cost of taking a Travel Money Card on an overseas trip, CANSTAR has designed a scenario that includes the fees for loading, reloading, and using the card overseas, as well as calculating how much will be available to spend in the purchased foreign currency.

These costs are benchmarked against a hypothetical cheapest product in the market – one with no load, reload, ATM, POS, or closure fees, with the best average exchange rate observed during our survey period of four weeks.

## Travel Cost Scenarios

The **Net Travel Cost** of each card is calculated in five different currencies.

CANSTAR firstly consider how much foreign currency will be available to the cardholder for spending on their trip, after fees for loading and using the card are subtracted.

Net Foreign Currency Available to spend for each product	
Converted to foreign currency at the card's exchange rate.	Total loaded amount of \$5000
	minus initial loading cost for \$3,500
	minus reload cost for \$1,500
	minus cost of 10 foreign ATM withdrawals (conv. to AUD where applicable)
	minus cost of 10 point-of-sale transactions (conv. to AUD where applicable)
	minus closure fee and/or refund fee.

This is compared to a hypothetical product that has no fees, and an exchange rate equal to the best average rate observed in the Travel Money Card market during our survey period. This is known as the **Benchmark Net Foreign Currency**.

The net cost of owning each travel money card is then calculated:

$$\text{Net Travel Cost} = \text{Benchmark Net Foreign Currency} - \text{Product Net Foreign Currency}$$

Since the cheapest product may not be the same for each of the five currencies considered, we score all products for each currency and then combine these scores, applying the weights in the following tables. This recognises that some destinations, and therefore currencies, are more popular for overseas travelers.

Currency	USD	GBP	EUR	NZD	SGD
Weight	30%	20%	25%	15%	10%

## Non-native transaction cost

The second component of the Pricing Score is the non-native transaction cost. This is a fee payable where there are insufficient funds available in the local currency, or the card is used for a purchase in a currency that is not supported. The product with the lowest fee in the market will receive the highest score, which is then added onto the Travel Cost Scenario Score to arrive at the total Pricing Score.

## Feature Score

Each individual feature is placed into one of two categories and nine subcategories. The Feature Categories and Subcategories are weighted to provide a final Feature Score for each product.

Feature Category	Weight	Examples of product features
<b>Terms and Conditions</b>	<b>40%</b>	
Terms & Conditions	50%	Ability to lock exchange rate , Inclusion of back-up card, Emergency card replacement, Emergency fund access
Currency Available	30%	Single/Multiple currency card, Maximum number of currency at a time in the card, currencies available
Fees	10%	Fees for card closure, Replacement card fee
Limits	10%	Maximum number of cards a single person can hold, maximum amount you can load/reload, maximum ATM withdrawal
<b>Accessibility and Security</b>	<b>60%</b>	
Account Facility	30%	Purchase the card online, Access the account online, View transactions online
Reload	25%	Ability to reload the card, Reload using BPAY, Reload at time of purchase
Convenience	25%	Ability to use the card for online purchases, ATMS and POS
Security	10%	Chip & PIN protected, Signature panel on the reverse, Not linked to personal bank account
Distribution Outlet	10%	Ability to purchase through credit unions, travel agents etc.

## Does CANSTAR rate all products in the market?

We endeavour to include the majority of product providers in the market and to compare the product features most relevant to consumers in our ratings. However this process is not always possible and it may be that not every product in the market is included in the rating nor every feature compared that is relevant to you.

## How often are travel money cards reviewed for star rating purposes?

All ratings are fully recalculated every 12 months. CANSTAR also monitors changes on an ongoing basis.

## How are the stars awarded?

CANSTAR ranks travel money cards based on value-for-money measures and then awards a star rating according to rank. The top cards will be awarded a five-star (or outstanding) rating. The number of cards awarded each of the three- to five-star ratings will ultimately depend on the dispersion of final scores.

## Does CANSTAR rate other product areas?

CANSTAR researches, compares and rates the suite of banking and insurance products listed below. These star ratings use similar methodologies to guarantee quality, consistency and transparency. Results are freely available to consumers who use the star ratings as a guide to product excellence. The use of similar star ratings logos also builds consumer recognition of quality products across all categories. Please access the CANSTAR website at [www.canstar.com.au](http://www.canstar.com.au) if you would like to view the latest star ratings reports of interest.



- Account-based pensions
- Agribusiness
- Business banking
- Business life insurance
- Car insurance
- Credit cards
- Deposit accounts
- Direct life insurance
- Health insurance
- Home & contents
- Home loans
- Life Insurance
- Managed investments
- Margin lending
- Online banking
- Online share trading
- Package banking
- Personal loans
- Reward programs
- Travel insurance
- Youth banking & education

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