

Wells Fargo Advice on Foreign Currency While Traveling Abroad

Written by Cary P. Yates

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Summer is the busiest time of year for travel and many people – whether going abroad for business or pleasure – need advice about foreign currency.

Even seasoned travelers can't anticipate every financial need, so it's important to consider all your options and select a combination of financial products for your trip abroad. These include foreign currency, traveler's checks and credit/ATM debit cards. It's generally a good idea to carry at least two of these.

So before you pack your suitcase, here are nine key facts that might be helpful to know about using these products:

Foreign Currency

You can avoid exchange line hassles, high fees and unfavorable exchange rates (typically offered in airports, hotels, restaurants and foreign banks) by purchasing foreign currency before leaving the United States. It's helpful to have small denominations to pay for taxi fares, tips and meals.

There are several ways to buy foreign currency before you leave. Most banks can sell foreign currency with a few days' notice. A number of banks have foreign currency on hand and tellers with expertise in international currency exchange.

Traveler's Checks

Foreign currency traveler's checks are also available for purchase. It's best to buy traveler's checks in the currency of your destination so you don't have to worry about calculating exchange rates when making purchases. Your bank might need a few days' notice to fill an order for foreign currency traveler's checks.

If you need to cash U.S. dollar traveler's checks abroad, you are more likely to receive the best rate at a bank. Also, many banks and exchange houses charge a fee for each U.S. dollar traveler's check converted. It can be to your advantage to use checks in higher denominations.

Credit/ATM Debit Cards

Cash at foreign ATMs is dispensed in the local currency and debited from your account in U.S. dollars. Most international ATMs do not permit transactions involving multiple accounts, so your transaction will be routed to your primary account.

You'll often get a favorable conversion rate from credit card purchases and ATM cash withdrawals because card issuers use an exchange rate that is usually closer to wholesale to process transactions. While many card service providers charge a small fee for each purchase, the rates still are relatively competitive and make these cards a convenient travel option.

If you plan to use an ATM in another country, ask your bank if your Personal Identification Number (PIN) is in the proper format for the countries you will visit. Four-digit numeric PINs are standard in most countries. If you have an alphabetic PIN, change it to numbers before leaving home.

Find out your daily withdrawal limit before you leave. If you think it's necessary, ask your bank to increase it.

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Euros

Since adopting the euro in 2002, most merchants in those European countries comprising the euro zone no longer accept their previous “legacy” currencies.

Euro currency and euro traveler’s checks are available for purchase in the United States. If you have older currency, ask your local bank if it can exchange it into euros.

Heading Home

Keep your exchange receipts until you get home. Some countries require visitors to produce an exchange receipt if they wish to convert local currency when they depart.

You can exchange your leftover paper currency where you purchased it. However, use up all your foreign coins before you return because most U.S. banks won’t buy them. Some airlines and airports collect these coins for donations to local charities.

Whether traveling for business or pleasure, with a little planning to consider your travel money needs, you can save valuable time and focus on the true purpose of your trip.

Cary Yates is a market growth & development manager for Wells Fargo in Houston. Wells Fargo customers can order foreign currency and traveler’s checks at all Wells Fargo banking stores, over the internet at foreignexchangeservices.com or by calling (800) 678-4653.
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