

Make Life Cheaper and Simpler with a Travel Wallet

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If you do a lot of travelling, here's one way to ensure you don't leave anything behind and don't spend a fortune.

I heard about an excellent idea the other day for people who, like me, tend to travel a lot. It's a travel wallet. No it's not yet another life-changing new smartphone app – although someone, somewhere will doubtless be working on that! It isn't even the latest 40,000-baht plastic designer money-holder. In fact, it doesn't even have to be a separate wallet physically.

Here's the idea: you keep certain items in your travel wallet that makes life away from home cheaper and simpler.

Anyone who travels to different countries on a regular basis should carry a **specialist overseas credit card**. Anytime you buy something in a different currency by credit card, the bank gets itself the credit card company wholesale conversion rate, which is usually very close to the market rate. Often, when the bank charges you, it adds on a *load* into the equation, which can be as much as 3%.¹ Not only that, your statement may only show the conversion rate including the load, so you don't even get to see how much you've been charged!²

All the big players offer specialist cards and, although the annual fees aren't cheap, you don't get charged a load on top of the exchange rate – so it can be worth having one. One thing to remember, though: it's still a credit card, so ensure you pay the outstanding amount in full every month. Otherwise the interest rate could dwarf any gain you make in avoiding the load.

If you do have one of these specialist cards, use it to pay for things wherever possible. It generally works out cheaper than withdrawing from an ATM because the latter incurs withdrawal fees;³ plus, you usually pay some interest on a credit card for taking out cash – even if you pay the monthly bill in full.⁴ Having said that, even getting money from an ATM is generally cheaper than most bureaux de change.⁵

¹ http://blog.moneysavingexpert.com/2013/07/30/a-peek-inside-my-overseas-wallet-a-nerds-guide-to-what-to-take-abroad/?utm_source=MSE_Newsletter&utm_medium=email&utm_term=14-Jun-16-v1t&utm_campaign=nt-hiya&utm_content=31

² *idem*

³ *idem*

⁴ *idem*

⁵ *idem*

If you prefer not to use a credit card, there are a number of **international pre-paid cards** on the market. They're kind of the digital generation's equivalent to a traveller's cheque. It gives you more control over the exchange rate, as it's the rate on the day you load the card with money that matters, not the rate when you spend. You could lose out if the rate goes against you on the day you load the card up, so keep an eye on currency trends. Like an old-fashioned traveller's cheque, if you lose the card you just pay a replacement fee and the cash is re-credited to your account.

Something to watch out for, though, is that prepaid cards tend to have more fees than credit cards. Some are low enough to make such a card worthwhile; whereas other may make you think twice. Charges you need to look out for are: application and replacement fees; transaction fees; paying for the card at the outset; and the exchange rate used. The latter is particularly important as prepaid cards may not use the standard Visa/Mastercard rates. There may also be daily transaction limits, so make sure you get a card that suits your needs.⁶

It is vital not only to have an international medical insurance policy but it also helps not to forget to carry its accompanying **international medical insurance card** when you travel. If you need medical attention, having the card in your wallet can make the registration procedure much quicker. For those travelling in the EU and are in an EU country's national insurance system, it's imperative to keep the European Health Insurance Card to hand: it entitles you to the same treatment as locals in state hospitals and GPs across the EU, Switzerland, Iceland, Norway and Liechtenstein. The European card doesn't replace medical or travel insurance but it's free to obtain.

Taking your **driving licence** with you can also come in handy, even if you're not planning to drive. That's because it can be used as ID – in some countries a form of identification is asked for, when paying by credit card. Of course, your licence will have to be valid; so before you go, make sure it hasn't expired and that it has your current address on it.

If you do intend to drive on your travels, you may need an international driving permit, as well as your licence, to hire a car. These can usually be obtained through official places, such as a national post office network. Beware of advertisements for international permits on internet browsers – it may be an agency which could well charge more than through the government channel.⁷

Regular travellers would be well advised to keep small amounts of **unspent currency** in their travel wallet for the next time they depart. Otherwise, if you keep changing backwards and forwards each time you travel, you could find yourself giving a lot of money to bureaux de change. If you insist on carrying cash on you, it'd be wise not to

⁶ *idem*

⁷ *idem*

leave changing money until arriving at the airport: the bureaux there know you have little time or choice, so are likely to charge you more.⁸

Finally, it could come in handy to carry a **photocopy of your passport**, just in case you lose yours, so that you have all the details at your fingertips. If you're subscribed to a cloud service, such as *Google Drive*, *OneDrive* or *iCloud* it's a good idea to upload a scan of the photo page of your passport, so it's just a couple of taps away on your smartphone. It doesn't necessarily have to be a scan – just take a decent photograph of it from your phone and upload.

I hope these tips can help you hold on to your own money, rather than give it to banks, card companies and bureaux de change Happy travels!

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⁸ *idem*