



## Introduction

When looking to send money abroad for any reason - buying a foreign house, transferring from one of your own accounts to another for business or personal reasons, maybe working abroad and sending funds back home to family - many people believe it's easier and more convenient to use the regular banking system to do so. However, banks often have hidden charges on transfers and their rates of exchange are rarely competitive. The good news is, there are other options out there and they could save you up to 4-7% every time you transfer money abroad. Continue reading below to find out more about how you could make substantial savings.

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A summary of what this guide has tried to achieve, and details to contact the author.

## Currency Exchange Companies: What Do They Do?

The first money transfer provider in Europe was founded in 1996, and the sector has been growing exponentially ever since. Their vision is simple: to make your transfers easier. Despite being in the 21st century, banks tend to stick to one currency and will often introduce hidden charges and delays when transferring your money abroad. With money transfer companies, all that is erased as they seek to simplify and improve the money transfer system.

Essentially, they will transfer your money just like a bank would, except there are no hidden charges and the rate you see on the website when you make your transfer is the one you will get (and it's much better than the bank's to begin with!). These transfers are currently available in over 60 different currencies.

Choose the right company and there is no need to be worried about security - choose companies that are regulated in the UK by the Financial Conduct Authority as Electronic Money Institutions and registered as a money transfer business with HM Revenue and Customs. Additionally, each transfer is normally processed through a segregated bank account to make it even safer.

So, we have established that there are no hidden charges when you make a transfer, the rate is better than you will get at the bank, and the process is safe, with plenty of support and advice available. Now we need to narrow it down to what kind of service you require.

## What Are the Important Things To Know?

- **Most companies are regulated**, usually by the Financial Conduct Authority which is the financial regulator in the UK. They are secure accredited institutions. Check the credit rating of the company you use to ensure that they have the proper regulation.
- **The transfers will usually take place the same day** for the 'major' currencies like EUR and USD, or the next day, which is considerably quicker than most major banks process transfers, so you will have your money much faster.
- **Ensure that the company you choose doesn't have an introductory rate system.** Some will offer you a great rate the first time and exceptionally mediocre rates from there on. Look for consistently good rates each time you transfer to make sure you are getting the most out of your money.
- **Check if the exchange company has fees.** None of them will have hidden charges like the banks do, but some will charge a fee to move your money and others won't. Make sure you know beforehand if and how much your chosen company will charge you, and calculate your total transfer costs.
- **Double check with the receiving bank account** to make sure there are no fees when receiving currency.
- **Most companies will have up to a 4-7% saving on the bank's rates and fees.** This means that, for example, on a £200,000 GBP to EUR transaction to buy a house in Europe, you would get roughly **€8,000-€14,000 more** for your money!

## How Do I Use a Currency Exchange Company?

The way the process works is very simple. For example, in a transaction involving you transferring GBP to EUR, you would make your GBP payment from your bank account to the GBP account owned by the company making the transfer. The company will then use their EUR account to transfer the amount agreed on the rate into your EUR bank account, and in most cases, because the currency is the same as far as the banks are concerned, the money will arrive on the same day. Here are a few of the available transfer options:

### **Transfer Now**

Transferring now is known as a spot contract and is the simplest and most straightforward of the money transfer options. Do you want a fast one-off transfer? This, then, is for you. Simply agree a rate either online or by phone, and make the transfer.

### **Secure the Rate**

A forward contract, as this is known, is ideal if you want to secure the current exchange rate, ahead of a big political event or stock market shift perhaps, but you don't want to make the transfer now. With a small deposit, you can secure the live rate and make your forward transfer anytime in the next calendar year.

### **Regular Transfers**

For those who have an overseas pension or mortgage, or who regularly send money, this option is ideal. You can set up a Direct Debit on your chosen date and have the transfers made automatically without ever having to worry about remembering.

### **Choose Your Target Rate**



If you are in no rush to transfer your money but want to wait for the best rate, you can set up a transfer based on a target exchange rate. The minute that the rate goes as high as you've specified, the transfer will occur automatically, but not before - so you can keep your line in the sand.

### **Keep Me Safe**

The opposite of the previous type, also known as a stop loss order, instead of a target rate this type of transfer has a minimum rate, and should the rate drop as low as your specified minimum, the transfer will occur. This can be a good tool to protect against drastic drops in the marketplace.

### **Market Orders in Combination**

One of the best ways to make use of the 'Choose Your Target Rate' (or Limit Order) and Stop Loss Orders is to use them in combination, so you can set the best target rate and the worst-case scenario at the same time, and when one is fulfilled the other is automatically cancelled. For long-term transfers this option is one of the best, as it allows you to protect yourself from losing too much but also aim for the amount you really want.

# The Transfer Process

## Step One: The Expert Factor

The first step in the process is to get in touch with the currency exchange company. You will need to create an account but it is quick and easy to do. If you already know what you want, or you don't want to bother with the fuss of talking to someone, transfers are really easy to organise yourself through the company's website, but if you would like an expert's opinion on your requirements and on the exchange rate, you can call them to discuss the current rates, market shifts and predictions, and which product suits you best.

If you are familiar with currency exchange or have used a particular company before, there is the option to use a mobile app, which is recommended for people who are already set up with the company. From there, you can set your own exchange rate preferences, and there are daily newsletters on the app which detail market movement.

## Step Two: Secure Your Rate

Once you have decided which product you would like and what your rate will be, it's as easy as 1-2-3. You can log in to the site or call them directly to send a debit card payment, which is the quickest and simplest method, or, if you prefer, you can send a bank transfer direct from your account. Once your payment has been made (or deposit, if you are opting for a forward contract) the rate is secure. You will even receive an email to confirm what's happening each step of the way.

## Step Three: There Is No Step Three!

## Your money has arrived!

## How To Get Started

You've read all the information, decided what product you'd like and how you're going to process your transfer. So, onto the final step: get in touch!

### Website

The company that is personally used by the by the author, because they generally have the most consistent rates, have no fees at all and are FCA registered, is called Currencies Direct. You can go online to register and make a transfer here: [Currencies Direct](#).

You can also find plenty of helpful information on their site, including currency charts, currency converters and daily reports to help you decide when is the best time to make your transfer.

### Mobile App

The app for Currencies Direct is available on both iOS and Android through the respective app stores. You will need to sign in with your account, but once you have, you can handle everything yourself from the app, from rate notifications to transfers. Once you've registered an account on the website, you can download and use this app so you can more easily make transfers on the move.

## Finally...

This guide is designed to help you with speedier transfers, better rates of exchange (which saves you money) and to make sure your money is safe and in a regulated environment. Thank you for reading, and happy transfers!

If you feel like you need help or information, or wish to discuss your requirements, please feel free to contact the author of this guide, Barry Davys, for advice:

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