



TransferWise

## Consumer Research – Canada

March 2019 – Ver 1.0

### **Stuart Peters**

Consumer Research Manager  
Consumer Intelligence Ltd

T +44 (0) 1173 178181

M +44 (0) 7964 966852

E [stuart.peters@consumerintelligence.com](mailto:stuart.peters@consumerintelligence.com)

W [www.consumerintelligence.com](http://www.consumerintelligence.com)

## **Table of Contents**

<b>Executive Summary</b>	<b>3</b>
<b>When was the last time that you travelled abroad for a vacation or holiday?</b>	<b>4</b>
<b>Canadians that lived abroad</b>	<b>5</b>
<b>Canadians buying property abroad</b>	<b>6</b>
<b>Canadians making overseas payments for personal reasons</b>	<b>7</b>
<b>Canadians making overseas payments for business reasons</b>	<b>8</b>
<b>Methodology</b>	<b>9</b>

## Executive Summary

Travelling, living abroad or buying a property

There is high usage of Canadian debit / credit cards when outside of Canada. Therefore, the potential to pay fees is high. Consumers are reasonably savvy but

- 12% of travellers when changing money abroad didn't know fees were payable
- 24% of travellers said the fees were higher than expected
- 55% of those that lived abroad agreed that "foreign exchange rates when living abroad costed me more than I expected"
- 28% of those buying a property abroad have limited or no understanding of fees payable when sending money abroad

Overseas payments

- There is a slight difference between personal (66% completely understand) and business (71% completely understand) knowledge regarding the understanding of fees payable when sending money abroad
  - But it does show a reasonably high proportion that don't understand the fees
- Bank transfers are the most popular for personal payments versus PayPal for business payments
- Little difference in how they were charged to send money internationally
  - That said about 1-in-10 though it was free

## When was the last time that you travelled abroad for a vacation or holiday?

84% of Canadians have travelled abroad in the last year. The favourite destination for Canadians being the US with nearly half (44%) having visited the US the last time they travelled. Other favourite destinations are Mexico (15%) and the UK (9%)

When at their destination, 63% of Canadians spent CAD 2,000 or less. There are no major differences by gender or age, other than those aged 55+ who are more likely to have spent CAD 5,000 or more

When asked how they paid for purchases at their destination 64% of Canadian's say they used their (Canadian) credit card. Men are significantly more likely (67%) than women (58%) to have used a Canadian credit card

- Differences start to emerge in card usage within the 18-24-year age group. They are least likely to use their Canadian credit card (only 36%) but most likely to have a "local" credit card (16%) when compared to the older age groups

Cash is the next most popular method with just under half (47%) saying they used cash withdrawn from their Canadian bank account. When using cash, the majority, 70%, say they exchanged cash at their bank before they travelled. However, 11% say they exchanged the cash at the airport, where the best exchange rates are rarely offered

16% said they used their Canadian debit card to pay for purchases at their destination. Usage among those aged 18-24 (27%) and 25-34 (21%) is significantly higher than the other age groups

When asked if they knew whether they were charged any fees when exchanging money at their destination, just over half (56%) said they knew exactly what fees they were charged. Worryingly, another 24% said the fee was more than expected and 12% said they didn't know there would be a charge. That's about 1/3 where the fee structure was unclear or not properly explained. Whilst not significant, it was those aged 55+ (17%) who were mostly likely to think there would not be a charge

When asked what fees they were charged 44% said they paid CAD 10 or less. However, 6% say they paid more than CAD 50 and 22% didn't know how much they paid in fees. Again, whilst not significant, it was the older age groups (45+) who were most likely to say they didn't know how much they paid in fees with those aged 65+ most likely to say, "don't know" (27%)

## Canadians that lived abroad

Just over-half (53%) had lived abroad within the past 12-months. Reasons for living abroad are broad with 31% saying they lived abroad for work purposes, 29% to stay with their family, 20% lived abroad as a lifestyle choice and 17% for school. Unsurprisingly, it is the youngest age group, with 4-in-10 or 43%, who lived abroad for school. Those aged 55+ are most likely to have lived abroad as a lifestyle choice

As with vacations and holidays, the US is the most popular place to live abroad with 33% of Canadians saying that they lived in the US. The next most popular place to live is the UK at 8%

When asked how they paid for purchases when living outside of Canada, 45% say they used their (Canadian) credit card, 32% said they used cash withdrawn from their bank and 27% said they used their Canadian debit card. Men are significantly more likely to use either their Canadian credit / debit cards than females. There are no significant differences by age but the younger groups (18-24 and 25-34) are more likely to use “local” cards than their Canadian ones compared to those aged 45+

When asked if they knew whether they were charged any fees when making purchases outside of Canada, about 2/3rds (66%) knew exactly what fees they were charged. However, another 18% said the fees were more than expected and a further 8% didn’t know there would be a charge. So, about 1-in-4 found the fee structure unclear or not properly explained

When asked what fees they were charged 27% said they paid CAD 10 or less. However, 1-in-10 (11%) say they paid more than CAD 50 and 8% didn’t know how much they paid in fees

In terms of attitudes to spending when outside of Canada:

- 55% agreed that “foreign exchange rates when living abroad costed me more than I expected”
  - Only 21% disagreed with this statement
  - Significantly more men (25%) strongly agreed with this statement than women (15%)
- 48% agreed that “fees and charges from my bank/card provider when living abroad costed me more than I expected”
  - Only 27% disagreed with this statement
  - Significantly more men (23%) strongly agreed with this statement than women (13%)
- 47% agreed that “the cost of living at my destination was more than what I usually spend in Canada”
  - Significantly more men (25%) strongly agreed with this statement than women (10%)

## Canadians buying property abroad

Unless otherwise stated, there are no significant differences by age or gender

Of those who have bought a property abroad, 59% had done so in the past year. The most popular destination to buy a property outside of Canada is the US (53%), followed by Mexico (10%) and France (4.2%)

In respect of spending and accessing money when staying at their property outside of Canada, 50% say they used a Canadian credit card, 34% say they withdrew cash from their bank and 27% say they used a Canadian debit card to access money

In terms of time spent at their property

- 40% spend 2-weeks or less, on average, at their property
- A further 34% spend 2-4 weeks, on average, at their property
- 14% claim to spend 6-weeks or more a year, on average, at their property

When asked “do you understand exactly how you are charged by this service when sending money internationally?”

- 72% claim to completely understand how they will be charged
- However, this means about a quarter (28%) have limited or no understanding of the fees they will have to pay

When asked to explain the fee structure the picture for Canadians is far from clear

- 44% say they are charged a flat transaction fee
- 21% say they are charged a percentage of the amount transferred
- 13% say they are charged through a mark-up on the exchange rate
- 8% say it is free

## Canadians making overseas payments for personal reasons

When asked why they send money internationally, the main reasons for payments are

- 65% send money related to family related transfers
  - Significantly more women (72%) send money relating to family transfers than men (58%)
  - Those aged 25-54 are significantly more likely to send money to family than those aged 55+
- 36% send for travel related transfers
- 24% send to pay bills
- 8% send for education related transfers, tuition, student loan payments, etc.
  - The youngest age group (18-24) is significantly higher than any other age group at 21% to send money to pay for education related transfers

About 1-in-4 (27%) have sent money internationally within the last month and just over half (57%) have sent money internationally within the last 3-months. In fact, nearly 9-in-10 (89%) have sent money internationally within the last year

The most popular service to send money internationally is via a bank transfer (36%) followed by PayPal (27%) and Western Union (24%). A big difference by age exists, with use of PayPal significantly higher for the 18-24 age group when compared to the other age groups and use of bank transfers being significantly for the 55+ age groups

In terms of the value of the last overseas transfer made, 69% transferred CAD 1,000 or less. In addition, when asked “do you understand exactly how you are charged by this service when sending money internationally?”

- 66% claim to completely understand how they will be charged
  - Men are significantly more likely to say they completely understand (71%) than women (61%)
  - Those aged 55+ also claim higher levels of understanding than the younger age groups
- However, this also means that 34% have limited or no understanding of the fees they will have to pay

When asked to explain the fee structure the picture for Canadians is far from clear

- 45% say they are charged a flat transaction fee
- 15% say they are charged a percentage of the amount transferred
- 7% say they are charged through a mark-up on the exchange rate
- Perhaps most worryingly, 14% say it is free

## Canadians making overseas payments for business reasons

Unless otherwise stated, there are no significant differences by age or gender

When asked why they send money internationally, the main reasons for payments are

- 61% send money to pay invoices for goods
- 45% send money to pay invoices for services
- 26% send money for payroll

Just over 1-in-3 (37%) have sent money internationally within the last month and two-thirds (66%) have sent money internationally within the last 3-months. In fact, 9-in-10 (93%) have sent money internationally, for business purposes, within the last year

In contrast to personal payments, the most popular service to send money internationally is via PayPal (36%) but payment via bank transfer, at 32%, is not far behind in second place. About 1-in-5 (21%) say they use Western Union

In terms of the value of the last overseas transfer made, 52% transferred CAD 1,000 or less but 48% transferred CAD 1,000 or more with 15% transferring CAD 5,000 or more. When asked “do you understand exactly how you are charged by this service when sending money internationally?”

- 71% claim to completely understand how they will be charged
- But this also means that 29% have limited or no understanding of the fees they will have to pay

As we have seen in the other categories, when asked to explain the fee structure the picture for Canadians is far from clear

- 42% say they are charged a flat transaction fee
- 19% say they are charged a percentage of the amount transferred
- 12% say they are charged through a mark-up on the exchange rate
- 10% say it is free, again quite a high-percentage



## Methodology

We spoke to 2,000 consumers about their foreign money transactions in the past three years

- 1,813 had travelled abroad for vacation or holiday
- 323 had lived abroad
- 212 had bought a property or timeshare abroad
- 1,534 had sent money outside of Canada for personal reasons
- 460 had sent money outside of Canada for business reasons

Fieldwork conducted 19th-28th February 2019

**Note:** After the initial research was delivered, TransferWise requested a further breakdown of the data to better determine to what extent consumers and businesses understand how they are charged on international payments.

## **DATA**

### **BUYING PROPERTY ABROAD – Q21 & Q21a**

### **OVERSEAS PAYMENTS (PERSONAL) – Q29 & Q29a**

### **OVERSEAS PAYMENTS (BUSINESS) – Q35 & Q36**

The exact questions in each of those three sections are as follows:

Do you understand exactly how you are charged by this service when sending money internationally?

SINGLE CODE

1. I completely understand
2. I somewhat understand
3. I don't understand at all

ASK IF CODES A-B ARE SELECTED AT Q

How are you charged by this service to send money internationally?

SINGLE CODE

1. I'm charged a flat transaction fee
2. I'm charged a percentage of the amount transferred
3. \*\*I'm charged through a mark-up on the exchange rate
4. \*\*I'm charged a flat transaction fee + a percentage of the amount transferred
5. \*\*I'm charged a flat transaction fee + a mark-up on the exchange rate
6. I'm not charged, its free
7. I'm not sure
8. Other

*\*\*Answer indicates "aware" of exchange rate markup*

### **BUYING PROPERTY ABROAD**

Unaware      76%

Aware        24%

### **OVERSEAS PAYMENTS (PERSONAL)**

Unaware      80%

Aware        20%

### **OVERSEAS PAYMENTS (BUSINESS)**

Unaware      74%

Aware        26%

Note from Consumer Intelligence: *"for buying property abroad, especially, counts by age are small so please treat with caution when making comparisons. At a total level, sample size is robust."*

# Case Processing Summary

	N	Valid		Missing		Total	
		N	Percent	N	Percent	N	Percent
Q21a. How are you charged by this service to send money internationally? * S2. How old are you? - Recode		206	10.1%	1835	89.9%	2041	100.0%
Q21a. How are you charged by this service to send money internationally? * S1. What is your gender?		206	10.1%	1835	89.9%	2041	100.0%
Q29a. How are you charged by this service to send money internationally? * S2. How old are you? - Recode		1475	72.3%	566	27.7%	2041	100.0%
Q29a. How are you charged by this service to send money internationally? * S1. What is your gender?		1475	72.3%	566	27.7%	2041	100.0%
Q36. How are you charged by this service to send money internationally? * S2. How old are you? - Recode		451	22.1%	1590	77.9%	2041	100.0%
Q36. How are you charged by this service to send money internationally? * S1. What is your gender?		451	22.1%	1590	77.9%	2041	100.0%

## Q21a. How are you charged by this service to send money internationally? \* S2. How old are you? - Recode Crosstabulation

% within S2. How old are you? - Recode

		S2. How old are you? - Recode						Total
		18-24	25-34	35-44	45-54	55-64	65+	
Q21a. How are you charged by this service to send money internationally?	Unaware	64.3%	87.5%	69.4%	65.4%	88.9%	86.7%	75.7%
	Aware	35.7%	12.5%	30.6%	34.6%	11.1%	13.3%	24.3%
Total		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

## Q21a. How are you charged by this service to send money internationally? \* S1. What is your gender? Crosstabulation

% within S1. What is your gender?

		S1. What is your gender?		
		Male	Female	Total
Q21a. How are you charged by this service to send money internationally?	Unaware	74.6%	77.3%	75.7%
	Aware	25.4%	22.7%	24.3%
Total		100.0%	100.0%	100.0%

## Q29a. How are you charged by this service to send money internationally? \* S2. How old are you? - Recode Crosstabulation

% within S2. How old are you? - Recode

		S2. How old are you? - Recode						Total
		18-24	25-34	35-44	45-54	55-64	65+	
Q29a. How are you charged by this service to send money internationally?	Unaware	78.7%	75.6%	73.4%	78.1%	84.7%	86.2%	79.5%
	Aware	21.3%	24.4%	26.6%	21.9%	15.3%	13.8%	20.5%
Total		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

## Q29a. How are you charged by this service to send money internationally? \* S1. What is your gender? Crosstabulation

% within S1. What is your gender?

		S1. What is your gender?		
		Male	Female	Total
Q29a. How are you charged by this service to send money internationally?	Unaware	79.8%	79.1%	79.5%
	Aware	20.2%	20.9%	20.5%
Total		100.0%	100.0%	100.0%

## Q36. How are you charged by this service to send money internationally? \* S2. How old are you? - Recode Crosstabulation

% within S2. How old are you? - Recode

		S2. How old are you? - Recode						Total
		18-24	25-34	35-44	45-54	55-64	65+	
Q36. How are you charged by this service to send money internationally?	Unaware	73.3%	76.1%	71.2%	65.1%	87.8%	68.2%	73.6%
	Aware	26.7%	23.9%	28.8%	34.9%	12.2%	31.8%	26.4%
Total		100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

## Q36. How are you charged by this service to send money internationally? \* S1. What is your gender? Crosstabulation

% within S1. What is your gender?

		S1. What is your gender?		
		Male	Female	Total
Q36. How are you charged by this service to send money internationally?	Unaware	75.5%	71.2%	73.6%
	Aware	24.5%	28.8%	26.4%
Total		100.0%	100.0%	100.0%

Households Results											
Row Labels	Current Transparency Level					The Proposal Transparency Model					
	Sum of Total Flow Amount (CAD bn)	Sum of Gross Losses due Hidden Fees & FX Markup (CAD million)	No of Affected Customers	Average Total Flow Amount p.p. (CAD)	Average Gross Losses due Hidden Fees & FX Markup p.p. (CAD)	Sum of Gross Losses due Hidden Fees & FX Markup (CAD million)	Average Gross Losses due Hidden Fees & FX Markup p.p. (CAD)	Proposal Saving with TW even in case of Transparency	Proposal Saving with TW even in case of Transparency (%)	Sum of Proposal Saving with TW even in case of Transparency (CAD million)	Value of Saving Non-Trans. vs. Trans. CA\$
Personal Holidays	\$33.69	-\$1,117.97	30,212,266	\$1,115	-\$37	-\$793.76	-\$26	\$7	25%	\$201.55	
Spending by Canadian consumers abroad h	\$33.69	-\$1,117.97	30,212,266	\$1,115	-\$37	-\$793.76	-\$26	\$7	25%	\$201.55	-\$11
United States	\$14.45	-\$404.28	18,788,464	\$769	-\$22	-\$287.04	-\$15	\$6	40%	\$113.43	
Countries other than the USA	\$19.24	-\$713.69	11,423,803	\$1,684	-\$62	-\$506.72	-\$44	\$8	17%	\$88.12	
Remittances	\$25.90	-\$1,302.51				-\$924.78				\$556.69	
Canadian workers remittances	\$1.34	-\$70.15	649,440	\$2,064	-\$108	-\$49.80	-\$77	\$60	78%	\$38.99	-\$31
United States	\$0.88	-\$47.88	516,780	\$1,700	-\$93	-\$34.00	-\$66	\$51	78%	\$26.35	
Countries other than the USA	\$0.46	-\$22.26	132,660	\$3,480	-\$168	-\$15.81	-\$119	\$95	80%	\$12.64	
Workers remittances	\$24.56	-\$1,232.36	4,764,726	\$5,154	-\$259	-\$874.98	-\$184	\$109	59%	\$517.69	-\$75
United States	\$0.66	-\$29.89	142,942	\$4,631	-\$209	-\$21.22	-\$148	\$105	70%	\$14.96	
Countries other than the USA	\$23.90	-\$1,202.47	4,621,784	\$5,171	-\$260	-\$853.76	-\$185	\$109	59%	\$502.73	
Total Canadian Cross Border Ecommerce	\$9.90	-\$331.60	9,608,900	\$1,031	-\$35	-\$235.44	-\$25	\$9	38%	\$90.62	-\$10
Asia	\$0.77	-\$26.44	5,656,303	\$136	-\$5	-\$18.77	-\$3	\$0	9%	\$1.75	
Europe	\$1.87	-\$61.90	1,090,372	\$1,716	-\$57	-\$43.95	-\$40	\$3	8%	\$3.44	
United States	\$7.26	-\$243.27	2,862,226	\$2,538	-\$85	-\$172.72	-\$60	\$30	49%	\$85.43	
Grand Total	69.49	(2,752.09)	-	9,363.96	(438.17)	(1,953.98)	-	-	-	848.85	(798.11)

Households Categories

1. Canadian Resident who has been in a personal overseas holiday(ies) and bought overseas G&S
2. Canadian Resident who has been in a personal overseas holiday(ies), sent money back home overseas to family(ies) and bought overseas G&S
3. Canadian Resident who has been in a personal overseas holiday(ies), has been working abroad and sent money back home to family(ies) in Canada and bought overseas G&S

\$43.59	-\$1,450	39,821,166	\$2,146	-\$72	-\$1,029	-\$51	\$16	32%	\$292	-\$21
\$44.93	-\$1,520	40,470,606	\$4,210	-\$180	-\$1,079	-\$127	\$76	60%	\$331	-\$52
\$68.15	-\$2,682	44,585,892	\$7,300	-\$330	-\$1,904	-\$234	\$125	53%	\$810	-\$96

Business Results											
	-\$5,510.27										
Row Labels	Current Transparency Level					The Proposal Transparency Model					
	Sum of Total Flow Amount (CAD bn)	Sum of Gross Losses due Hidden Fees & FX Markup (CAD million)	No of Affected Customers	Average Total Flow Amount p.p. (CAD)	Average Gross Losses due Hidden Fees & FX Markup p.p. (CAD)	Sum of Gross Losses due Hidden Fees & FX Markup (CAD million)	Average Gross Losses due Hidden Fees & FX Markup p.b. (CAD)	Proposal Saving with TW even in case of Transparency	Proposal Saving with TW even in case of Transparency (%)	Sum of Proposal Saving with TW even in case of Transparency (CAD million)	Value of Saving Non-Trans. vs. Trans. CA\$
Business Trips	\$3.94	-\$118.12	3,269,710	\$1,204	-\$36	-\$83.86	-\$26	-\$2	-6%	-\$5.27	
Spending by Canadian consumers abroad b	\$3.94	-\$118.12	3,269,710	\$1,204	-\$36	-\$83.86	-\$26	-\$2	-6%	-\$5.27	-\$10
United States	\$2.26	-\$67.82	2,445,052	\$925	-\$28	-\$48.15	-\$20	-\$1	-4%	-\$2.05	
Countries other than the USA	\$1.68	-\$50.30	824,657	\$2,033	-\$61	-\$35.71	-\$43	-\$4	-9%	-\$3.22	
Trade in Goods and Services	\$675.88	-\$10,230.64									
Large enterprises (500 or more employees)	\$351.10	-\$4,388.77	2,178	\$161,203,508	-\$2,015,044						
Small and medium-sized enterprises (0 to 4	\$314.87	-\$5,510.27	152,047	\$2,070,891	-\$36,241						
Grand Total	\$679.82	-\$10,349									

HOUSEHOLD + BUSINESS: \$749.31 -\$13,101

Disclaimer

This report has been commissioned by TransferWise Ltd. “Hidden fees” are defined by Consumer intelligence Ltd as the margin charged by a payment provider (bank, boutique or alternative payment provider) on cross border transactions and does not include any published fees for commercial activity; but have been included for households activities. A selection of payment providers has been used in this research and is not representative of the whole market place. Outliers in the market have also been removed where found. Official source data has been used wherever possible, however, the research expressed remain those of Consumer Intelligence and are not necessarily shared by TransferWise. While every effort has been made to ensure that the data quoted and used for the research and analysis behind this document is reliable, there is no guarantee that it is correct, and Consumer Intelligence Ltd can accept no liability whatsoever in respect of any errors or omissions. This document is a piece of economic research and is not intended to constitute investment advice. nor to solicit dealina in securities or investments.

**Personal Holiday**

**Spending Amount**

**\$2,000**

**-\$75.62**

So, if you are talking about an average spending of CA\$2,000 without a specific destination, then you will multiply the CA\$2K \* TravelMix Margin GEN rate ""Generic Rate"". Hence the average total loss due to hidden fees will be CA\$76 for spending CA\$2000 abroad.

But if you are talking about a specific destination from the list below i.e. USA (USD) then you will multiply by the associated rate.

Market Share		12%		20%		41%	27%
Travel Mix Key	Currency	TravelMix Margin	Banks (CASH/Travel Money) Margin	Boutiques (CASH/Travel Money) Margin	Credit Card Margin	Debit Margin	
FRTravelMix_USD	USD	-2.80%	-2.51%	-1.95%	-3.00%	-3.25%	
FRTravelMix_MXN	MXN	-4.36%	-6.75%	-7.18%	-3.00%	-3.25%	
FRTravelMix_GBP	GBP	-3.22%	-3.52%	-3.42%	-3.00%	-3.25%	
FRTravelMix_EUR	EUR	-3.17%	-3.72%	-3.09%	-3.00%	-3.25%	
FRTravelMix_DOP	DOP	-5.02%	-10.13%	-8.50%	-3.00%	-3.25%	
FRTravelMix_CNY	CNY	-4.53%	-5.98%	-8.54%	-3.00%	-3.25%	
FRTravelMix_HKD	HKD	-4.20%	-4.96%	-7.48%	-3.00%	-3.25%	
FRTravelMix_BSD	BSD	-3.24%	-4.69%	-2.85%	-3.00%	-3.25%	
FRTravelMix_AUD	AUD	-3.87%	-4.01%	-6.39%	-3.00%	-3.25%	
FRTravelMix_JPY	JPY	-3.69%	-3.40%	-5.87%	-3.00%	-3.25%	
FRTravelMix_GEN	GEN	-3.78%	-4.45%	-5.70%	-3.00%	-3.25%	

**Sending Money Overseas from Canada**

<b>Sending Amount</b>	<b>\$1,000</b>	<b>-\$51.40</b>
-----------------------	----------------	-----------------

So, if you are talking about an average sending of CA\$1,000 without a specific destination, then you will multiply the CA\$1K \* GEN rate ""Generic Rate"". Hence the average total loss due to hidden fees will be CA\$51 for sending CA\$1000 abroad from Canada

But if you are talking about a specific destination from the list below i.e. China (CNY) then you will multiply by the associated rate.

Currency	Total Markup (Fx and Fees)	FX Only Markup	Fee
CNY	-5.15%	-2.29%	\$ 14.77
INR	-4.33%	-1.89%	\$ 12.54
PHP	-4.95%	-2.41%	\$ 13.00
EUR	-5.00%	-2.59%	\$ 12.40
VND	-5.63%	-2.65%	\$ 15.37
USD	-4.52%	-1.99%	\$ 12.90
GBP	-4.98%	-2.51%	\$ 12.70
PKR	-4.68%	-2.21%	\$ 12.73
LKR	-5.34%	-2.33%	\$ 15.49
HUF	-6.84%	-3.80%	\$ 16.00
GEN	-5.14%	-2.47%	\$ 13.79

**Business Trips**

**Spending Amount**

<b>\$5,000</b>	<b>\$150.00</b>
----------------	-----------------

Our assumption is that all the business spending will be on Credit cards, and the average cost of using a business credit card in Canada is 3%.  
Thus, spending CA\$2K using a business credit card will incur CA\$60 cost.

# Bespoke Market Research - Average Total Loss in Hidden Fees Per Person and Business – Canada

TransferWise

February 2019 – Ver 1.0

Mostafa Hussein  
Banking Analyst  
Consumer Intelligence Ltd

T: +44 (0) 1173 178181  
M: +44 (0) 7749 096804  
E: [mostafa.hussein@consumerintelligence.com](mailto:mostafa.hussein@consumerintelligence.com)  
W: [www.consumerintelligence.com](http://www.consumerintelligence.com)





## Hidden Fees Calculation Methodology:

This report provides the methodology on *Average Total Loss in Hidden Fees Per Person and Business – Canada* and has been created to provide granularity on the specific findings in *“Bespoke Market Research – Canada – Feb 2019”* and *“TransferWise Hidden Fees Results – Canada – Feb 2019”*

“Hidden fees” are defined by Consumer Intelligence Ltd (CI) as the margin charged by a payment provider (bank, boutique or alternative payment provider) on cross border transactions and does not include any published fees for commercial activity; but have been included for households activities.

CI have used multiple official sources to identify the total sum of spending flows for each scenario and have reported these back in CAD currency, whilst reputable, the accuracy of source data cannot be guaranteed.

### Spending By Consumers Abroad For Business And Personal Reasons

- CI calculated the total value of flows using official sources.
- To calculate the overall total loss due to hidden fees, the value of flows were multiplied by CI FX margin & fees data and insight on international payments, travel money, debit and credit cards.
- CI calculated the total number of people travelling from Canada for personal and business reasons using official sources.
- CI calculated the total average spend by customers abroad for both personal and business reasons by using the Total Spend Flows using official sources and dividing this by the calculated number of travellers for personal and business reasons.
- CI calculated an average loss due to hidden fees per person when consumers are abroad by using the Total Loss in Hidden Fees as reported in *“TransferWise Hidden Fees Results - Canada”* and dividing this by the calculated number travellers for personal and business reasons.

### Trades In Goods And Services: Fees For Invoices In Another Country

- CI calculated the total value of flows from official sources.
- To calculate the overall total loss due to hidden fees, the value of flows were multiplied by CI FX margin & fees data and insight on international payments, debit and credit cards.
- CI calculated the total number of people and business enterprises affected by hidden fees when involving in any international trading using official sources.
- CI calculated the total average spend by customers as well as enterprises by using the Total Outflows using official sources and dividing this by the calculated number of digital shoppers and enterprises.
- CI calculated an average loss due to hidden fees per person as well as enterprises by using the Total Loss in Hidden Fees as reported in *“TransferWise Hidden Fees Results - Canada”* and dividing this by the calculated number of digital shoppers and enterprises.

### Remittances - Identifying Fees For Sending Money To Family

- CI calculated the total value of flows using official sources.
- To calculate the overall total loss due to hidden fees, the value of flows were multiplied by CI FX margin & fees on international payments including local banks and boutiques.
- CI calculated the total number of people affected by hidden fees when sending money to family back home by taking the number of expats in Canada as well as Canadian expats living overseas in 2016.
- CI calculated an average spend of people sending money back home using an official source and dividing this by the calculated number of expats in Canada as well as Canadian’s living and working overseas.
- The average loss due to hidden fees was calculated per person when sending money back home by using the Total Loss in Hidden Fees as reported in *“TransferWise Hidden Fees Results - Canada”* and dividing this by the calculated number of expats in Canada as well as Canadian’s living and working overseas.

Consumer Intelligence used the following multiple official sources to identify the total sum of spending flows for each scenario and have reported these back in CAD currency, whilst reputable, the accuracy of source data cannot be guaranteed:

**Spending By Consumers Abroad:** *Statistic Canada, Jan 2019, Travel by Canadians to foreign countries, top 15 countries visited. Statistic Canada, Jan 2019, Travel by Canadian residents in Canada and abroad by trip purpose. Statistic Canada, Jan 2019, Canada and the World Statistics Hub. Statistic Canada, Jan 2019, International travellers entering or returning to Canada, by province of entry, seasonally adjusted. Statistic Canada, Jan 2019, Travel between Canada and other countries – Seasonally adjusted. Statistic Canada, Jan 2019, Travel between Canada and other countries, December 2017.*

**Trades In Goods And Services:** *Government of Canada, Jan 2019, Trade Investment and Economic Statistics. Government of Canada, Jan 2019, Trade Data Online. Government of Canada, Jan 2019, Balance of International Payments. Government of Canada, Jan 2019, Canada's International Trade in Services. Government of Canada, Jan 2019, Trade in goods by importer characteristics, by enterprise employment size and region type. UN Comtrade, Jan 2019, Canada exports of goods in 2017. export.gov, Jan 2019, Canada – eCommerce. The Paypers, Jan 2019, Mobile commerce and online shopper behaviour in Canada.*

**Remittances:** *World Bank, Jan 2019, Migration and Remittances Data. PEW Global, Jan 2019, Remittance Flows Worldwide in 2016. Government of Canada, Jan 2019, Sending money home. Canadian International Development Platform, Jan 2019, Remittances Explorer. World Population Review, Jan 2019, Canada Population 2019.*

**Disclaimer:** *This report has been commissioned by TransferWise Ltd. "Hidden fees" are defined by Consumer Intelligence Ltd as the margin charged by a payment provider (bank, boutique or alternative payment provider) on cross border transactions and does not include any published fees for commercial activity; but have been included for households activities. A selection of payment providers has been used in this research and is not representative of the whole market place. Outliers in the market have also been removed where found. Official source data has been used wherever possible, however, the research expressed remain those of Consumer Intelligence and are not necessarily shared by TransferWise. While every effort has been made to ensure that the data quoted and used for the research and analysis behind this document is reliable, there is no guarantee that it is correct, and Consumer Intelligence Ltd can accept no liability whatsoever in respect of any errors or omissions. This document is a piece of economic research and is not intended to constitute investment advice, nor to solicit dealing in securities or investments. © Consumer Intelligence Limited, 2019.*