

# AVOIDING FOREIGN TRANSACTION FEES WHILE TRAVELING WITH YOUR CREDIT CARD



If you don't travel internationally very often but are planning to do so in the future, foreign transaction fees should be part of your budget considerations. Many credit card companies charge their users fees every time they transact overseas. But there are a growing number of credit card companies that are waiving these fees. For example,

[HSBC has a travel rewards credit card that promises no foreign transaction fees.](#)

## Why Do We Have Foreign Transaction Fees At All?

[Foreign transaction fees](#) are an inconvenience and added expense, but they exist for a reason.

Whenever you buy something overseas with a credit card, the payment network you use (Visa, for example) and the bank that issued your credit card (Barclays, for example) both have to spend money to turn your home currency into the local currency in the place you are traveling. Traditionally, these costs are passed on to the traveler, and usually total between 1% and 3% of every qualifying purchase. This is a not-insignificant extra expense every time you travel overseas, and often does not get considered when creating an international travel budget.

Some banks and credit companies also issue foreign transaction fees because there is a much greater fraud risk associated with international travel. This is because of all of the scams trying to take advantage of unwitting travelers, as well as personal fault mistakes made by said unwilling traveler without the influence of any negative influence.

## How Do We Avoid Foreign Transaction Fees?

The best way to save money on foreign transaction fees is to only use credit cards which don't charge them. In the old days of credit, this was pretty much an impossibility, but the evolving credit industry is bringing with it many more credit opportunities that are free of additional charges like these.

This is happening for several reasons. For one, the industry of credit is more competitive than ever before. There are many private wealth sources trying to issue you credit so they can get interest. As more actors have entered this sphere, there has been increased pressure to offer consumer-friendly products. This is also due to the fact that the average consumer has become much more sophisticated over the past decade and no longer will settle for high fee credit. Furthermore, the internet has introduced many more information sources, so that people can educate themselves about credit much better, and ultimately demand more equitable credit practices.

Also, foreign transaction costs have simply become less expensive. [International blockchain](#) options like Ethereum can transfer money internationally in seconds, practically for free. Many large corporations are starting to use these channels to offer greater savings to their customers, and more profitable efficiency for their internal business.

It's a great thing that transaction fees for international purchases are going the way of the dodo. But they're not dead yet, so you should always look for these policies in the credit cards and accounts you consider, especially if you like traveling internationally or are planning to do so for the first time soon.

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