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Understanding Foreign Exchange Consumer study

Prepared for:



**Australian
Polling Council
Quality Mark**

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→ Methodology

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Methodology

- This study was conducted online between the 19th – 22nd August 2021.
- The sample comprised of a nationally representative sample of 1,049 Australians aged 18 and over.
- YouGov designed the questionnaire, a copy of which has been included in this report.
- Following the completion of interviewing, the data was weighted by age, gender and region to reflect the latest ABS population estimates.
- This survey is compliant with the Australian Polling Council Code and a methodology statement will be available within two days of publication at <https://au.yougov.com/results/apc>



→ Key Findings

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Key Findings

Have ever transferred money overseas (Q1)

- Almost half (47%) of Australians have transferred money overseas.
- Men are more likely than women to say they have ever transferred money overseas (51% compared to 43%).
- Millennials are more likely than Gen X, Baby Boomers and Gen Z to say they have ever transferred money overseas (57% compared to 47%, 41% and 32% respectively).
- Australians who live within the five main capital cities are more likely than those who do not to say they have ever transferred money overseas (51% compared to 40%).
- Australians who say they fully understand overseas money transfer costs are the most likely to have ever transferred money overseas (86%).

Methods used when sending money overseas (Q2)

Amongst Australians who have ever sent money overseas

- Almost half (47%) of these Australians say they use their bank when sending money overseas, while two in five (39%) use an international money transfer services (e.g. Wise, WorldRemit or Orbit Remit etc.), 30% use traditional providers (e.g. Western Union, MoneyGram etc.) and 15% shop around for the best offer available.
- Men are more likely than women to say they shop around for the best offer available (19% compared to 10%).



Key Findings (continued...)

- When sending money overseas, Millennials are more likely than Gen X and Baby Boomers to use an international money transfer service (59% compared to 37% and 18% respectively). Gen X and Millennials are more likely than Baby Boomers to shop around for the best offer available (20% and 16% respectively compared to 5%), while Gen X (36%) are more likely than Baby Boomers (24%) to use traditional providers. Baby Boomers are the generation most likely to use their bank (68%).
- When sending money overseas, Queensland residents are more likely than those in New South Wales to say they use their bank to (53% compared to 40%), while New South Wales residents are more likely than those in Queensland to say they use an international money transfer service (48% compared to 32%).
- Australians who live within the five main capital cities are more likely than those who do not to say they use an international money transfer service to send money overseas (43% compared to 28%). In contrast, Australians who live outside the capital cities are more likely than those who live within them to say they use their bank (56% compared to 44%).

Understanding of the costs associated with transferring money overseas (Q3)

- Half of Australians (51%) say they fully or somewhat understand the costs associated with transferring money overseas, while one in five understand a little (17%) or do not understand at all (20%).
- Men are more likely than women to say they fully or somewhat understand the costs associated with transferring money overseas (57% compared to 46%).



Key Findings (continued...)

- Millennials are more likely than Gen X, Baby Boomers and Gen Z to say they fully or somewhat understand the costs associated with transferring money overseas (61% compared to 51%, 45% and 43% respectively).
- South Australians are more likely than Queenslanders to say they do not understand the costs associated with transferring money overseas at all (29% compared to 18%).
- Australians who live within the five main capital cities are more likely than those who do not to say they fully or somewhat understand the costs associated with transferring money overseas (55% compared to 46%).
- Australians who have ever transferred money overseas are more likely than those who have not to say they fully or somewhat understand the costs associated with transferring money overseas (81% compared to 24%).
- Australians who use a money transfer service or a traditional provider to transfer money overseas are more likely than those who use a bank to say they fully or somewhat understand the costs associated with transferring money overseas (89% and 86% respectively compared to 78%).

Knowledge of whether banks/ other financial institutions impose fees or charges for processing overseas money transfers (Q4)

- More than a third (36%) of Australians say that banks/ other financial institutions charge both an upfront fee and mark up the exchange rate for processing overseas money transfers, while 17% say they only charge an upfront fee and 10% say they only mark up the exchange rate. One in three (34%) Australians are unsure if these institutions impose any fees or changes for processing overseas money transfers, while 3% say that it's free.



Key Findings (continued...)

- Men are more likely than women to say that banks/ other financial institutions charge both an upfront fee and mark up the exchange rate for processing overseas money transfers (40% compared to 31%), while women are more likely than men to be unsure (40% compared to 28%).
- Millennials and Baby Boomers are more likely than Gen X to say that banks/ financial institutions only charge an upfront fee for processing overseas money transfers (20% respectively compared to 11%), while Gen Z and Millennials are more likely than Baby Boomers to say they only mark up the exchange rate (15% and 13% respectively compared to 6%).
- Queensland and New South Wales residents are more likely than those in South Australia to say that banks/ other financial institutions charge both an upfront fee and mark up the exchange rate for processing overseas money transfers (40% and 39% respectively compared to 25%), South Australian residents are more likely than those in New South Wales to be unsure of any costs imposed by banks when processing overseas money transfers (45% compared to 31%).
- Australians who live within the five main capital cities are more likely than those to do not to say banks/ other financial institutions charge both an upfront fee and mark up the exchange rate for processing overseas money transfers (39% compared to 31%). In contrast, Australians who live outside the five main capital cities are more likely than those who live within them to be unsure of any costs (42% compared to 30%).
- Australians who have ever transferred money overseas are more likely than those who have not to say that banks/ other financial institutions charge both an upfront fee and mark up the exchange rate (46% compared to 27%), an upfront fee only (22% compared to 13%) and mark up the exchange rate only (15% compared to 5%) for processing overseas money transfers.



Key Findings (continued...)

- Australians who say they fully understand the costs associated with overseas money transfer costs are more likely than those who only understand a little or do not understand at all to say that banks/ other financial institutions charge both an upfront fee and mark up the exchange rate (50% compared to 40% and 22% respectively).

Extent agree or disagree that banks make it easy to understand the cost of transferring money overseas (Q5)

- Just one in three (35%) Australians say they agree that banks make it easy to understand the cost of transferring money overseas, while a further one in three (36%) disagree and 28% are unsure.
- Men are more likely than women to say they agree that banks make it easy to understand the cost of transferring money overseas (40% compared to 31%).
- Millennials are more likely than Gen X and Baby Boomers to say they agree that banks make it easy to understand the cost of transferring money overseas (42% compared to 34% and 30% respectively).
- Australians who have ever transferred money overseas are more likely than those who have not to say they agree that banks make it easy to understand the cost of transferring money overseas (51% compared to 21%).
- Australians who fully understand the costs associated with overseas money transfers are more likely than those who somewhat understand, understand a little and do not understand at all to say they agree that banks make it easy to understand the cost of transferring money overseas (64% compared to 49%, 22% and 11% respectively).



Key Findings (continued...)

Changes in the transparency of overseas money transfer costs in past 2 years (Q6)

- Just one in five (18%) Australians say they have noticed a change in the transparency of overseas money transfer costs in the past 2 years.
- Men are more likely than women to say they noticed a change in the transparency of overseas money transfer costs in the past 2 years (20% compared to 15%).
- Millennials are the generation most likely to say they have noticed a change in the transparency of overseas money transfer costs in the past 2 years (29%).
- Australians who have ever transferred money overseas are more likely than those who have not to say they have noticed a change in the transparency of overseas money transfer costs in the past 2 years (28% compared to 9%).
- Australians who use their bank to transfer money overseas are more likely than those who use other institutions/ providers to say they have not noticed a change in the transparency of money transfer costs in the past 2 years (78%).
- Australians who say they fully understand the costs associated with transferring money overseas are more likely than those who somewhat understand, understand a little and do not understand at all to say they have noticed a change in the transparency of money transfer costs in the past 2 years (37% compared to 24%, 7% and 4% respectively).



Key Findings (continued...)

Considerations associated with the cost of international money transfers (Q7)

Amongst Australians who have ever sent money overseas and consider one or more of the overseas money transfer factors (i.e. excludes none of these)

- More than one in three (36%) say the #1 most important factor when considering the cost of international money transfers is the exchange rate offered by the bank, while a third look first at the amount the recipient of the transfer gets (33%), and at the upfront fee charged by the bank itself (31%).
- Gen X are more likely than Baby Boomers to say that the upfront fee charged by the bank is the #1 most important factor when considering international money transfers (38% compared to 24%). While Baby Boomers are more likely than Millennials and Gen X to say that the amount the recipient gets is the #1 most important factor (42% compared to 29% respectively).



Key Findings (continued...)

Extent agree or disagree that reducing overseas money transfer costs would influence vote at the next election (Q8)

- Half of Australians (49%) agree that reducing the costs associated with transferring money overseas would influence their vote at the next election, while one in four either disagree (25%) or are unsure (26%).
- Men are more likely than women to say they agree that reducing the costs associated with transferring money overseas would influence their vote at the next election (54% compared to 45%).
- Millennials are more likely than Gen X and Baby Boomers to agree that reducing the costs associated with transferring money overseas would influence their vote at the next election, (60% compared to 47% and 40% respectively).
- Australians who live within the five capital cities are more likely than those who do not to agree that reducing the costs associated with transferring money overseas would influence their vote at the next election (52% compared to 44%).
- Australians who have ever transferred money overseas are more likely than those who have not to agree that reducing the costs associated with transferring money overseas would influence their vote at the next election (66% compared to 35%).
- Australians who use their bank to transfer money overseas are more likely than those who use a traditional provider or a money transfer service to disagree that reducing the costs associated with transferring money overseas would influence their vote at the next election (24% compared to 15% respectively).



→ Questionnaire

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Base: All Australian adults

Question type: **Single**

[Varlabel - Ever transferred money overseas]

[Q1] Have you ever transferred money overseas?

Please select one option only

- | | |
|---------------------------|--------------------------|
| <1> | Yes |
| <2> | No |
| <977 fixed,
exclusive> | Don't know/ can't recall |

Base: All Australian adults who have ever transferred money overseas

Question type: **Multiple**

#row order: randomize; #Question display logic: *If [Q1] - Yes is selected [if Q1 = 1]*

[Varlabel - Method for sending money overseas]

[Q2] Which, if any, of the following methods do you use when sending money overseas?

Please select all that apply

- | | |
|-------------|--|
| <1> | I use an international money transfer service (e.g. Wise (TransferWise), WorldRemit or Orbit Remit etc.) |
| <2> | I use my bank |
| <3> | I use traditional providers (e.g. Western Union, MoneyGram etc.) |
| <4> | I shop around for the best offer available |
| <955 fixed> | Other |

Base: All Australian adults

Question type: **Single**

[Varlabel - Understanding of overseas money transfer costs]

[Q3] To what extent do you understand the costs associated with transferring money overseas?

Please select one option only

- | | |
|---------------------------|--------------------------|
| <1> | Fully understand |
| <2> | Somewhat understand |
| <3> | Understand a little |
| <4> | Do not understand at all |
| <977 fixed,
exclusive> | Don't know |

Base: All Australian adults

Question type: **Single**

#row order: reverse

[Varlabel - Awareness of bank costs for overseas money transfers]

[Q4] Thinking about transferring money overseas through a bank or other provider...

Do you know if banks/ other financial institutions impose any fees or charges for processing overseas money transfers?

Please select one option only

- | | |
|------------------------|---|
| <1> | It's free |
| <2> | They charge an upfront fee |
| <3> | They mark up the exchange rate |
| <4> | They charge both an upfront fee and mark up the exchange rate |
| <977 fixed, exclusive> | Don't know |

Base: All Australian adults

Question type: **Single**

[Varlabel - Extent banks make it easy to understand overseas money transfer costs]

[Q5] To what extent do you agree or disagree that banks make it easy to understand the cost of transferring money overseas?

Please select one option only

- | | |
|------------------------|-------------------|
| <1> | Strongly agree |
| <2> | Somewhat agree |
| <3> | Somewhat disagree |
| <4> | Strongly disagree |
| <977 fixed, exclusive> | Don't know |

Base: All Australian adults

Question type: **Single**

[Varlabel - Changes in how costs are shown in last 24 months]

[Q6] Have you noticed any changes in the transparency of overseas money transfer costs in the past 2 years?

Please select one option only

- | | |
|-----|-----|
| <1> | Yes |
| <2> | No |

Base: *All Australian adults who have ever transferred money overseas*

Question type: **Rank**

#Question display logic: *If [Q1] - Yes is selected [if Q1 == 1]*

[Varlabel - *Top considerations around the cost of overseas money transfers*]

[Q7] When considering the cost of international money transfers, please rank the following statements in order of importance.

Please rank up to three options. If you would not consider any of these, please select the 'none of these' option.

- | | |
|-----|---|
| <1> | I look at the amount the recipient of my transfer gets and take this into consideration |
| <2> | I look at the upfront fee charged by the bank and take this into consideration |
| <3> | I look for the exchange rate offered by the bank and take this into consideration |

None of these

Base: *All Australian adults*

Question type: **Single**

[Varlabel - *Influence reducing overseas money transfers costs has on voting behaviour*]

[Q8] Please read the sentence below before answering the question that follows:

The government can stop the practice of profiteering off the fees and charges associated with international money transfers...

Knowing this, to what extent do you agree or disagree that reducing the costs associated with transferring money overseas would influence your vote at the next election?

Please select one option only

- | | |
|------------------------|-------------------|
| <1> | Strongly agree |
| <2> | Somewhat agree |
| <3> | Somewhat disagree |
| <4> | Strongly disagree |
| <977 fixed, exclusive> | Don't know |

→ Thank you

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