



METHODOLOGY

Travel Money Card Award

New Zealand

What is the Canstar *Travel Money Card Award*?

Canstar's *Travel Money Card Award* uses a sophisticated and unique ratings methodology that compares both cost and features across travel money card products. Canstar's Award recognises the institution that offers a superior combination of price and features relative to the market.

Eligibility Requirements

To be eligible for consideration in the Canstar Award, each product must:

- Have the ability to store multiple foreign currencies on one card
- Allow you to lock in an exchange rate before travel
- Allow you to use your own funds – credit or borrowing facilities are ineligible
- Provide an up-to-date exchange rate on its website

Profile Description

Travel money cards are assessed on a basket of 6 currencies:

Currency	AUD	USD	EUR	GBP	JPY	SGD
Weight	30%	20%	15%	15%	10%	10%

Award Methodology

Each Travel Money Card reviewed for the Canstar *Travel Money Card Award* is awarded points for its comparative pricing and for the array of positive features attached to the product. Points are aggregated to achieve a price score and a feature score.

To arrive at the total score, Canstar applies a weight against the price score and the feature score. The weights reflect the relative importance of costs and features in determining the products offering outstanding value. The total score for each travel money card is weighted 70% towards Price and 30% towards Features.

$$\text{Total Score} = \text{Price Score} + \text{Feature Score}$$



Price Score

There are many different fee structures in the Travel Money Card market.

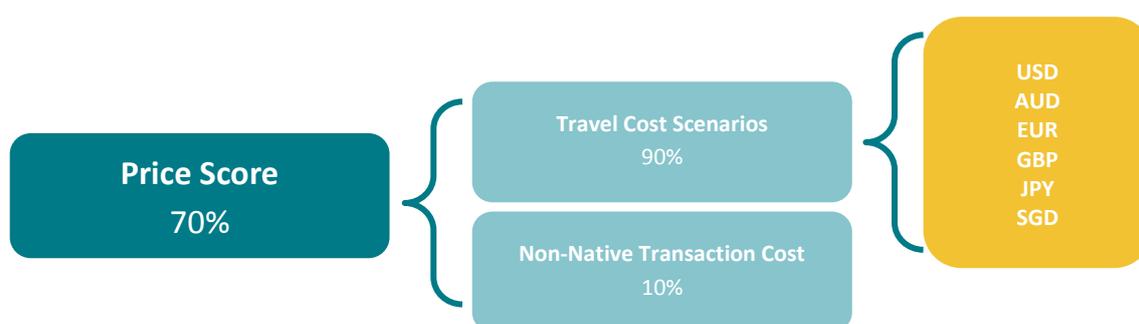
- Some providers charge for ATM withdrawals in foreign countries and others do not.
- There are products where the initial load is free but subsequent reloads are not, and some where there are almost no fees at all.

When exchanging many thousands of dollars into a foreign currency, in many cases, the exchange rate applied to the purchase is the largest part of the overall cost of the transaction, even though few or no direct fees are being charged to the customer.

To find the overall cost of taking a Travel Money Card on an overseas trip, Canstar has designed a scenario that includes the fees for loading, reloading, and using the card overseas, as well as calculating how much will be available to spend in the purchased foreign currency.

These costs are benchmarked against a hypothetical cheapest product in the market – one with no load, reload, ATM, POS, or closure fees, with the best average exchange rate observed during our survey period of four weeks. This is known as the Benchmark Net Foreign Currency. The net cost of using each travel money card is then calculated:

$$\text{Net Travel Cost} = \text{Benchmark Net Foreign Currency} - \text{Product Net Foreign Currency}$$



Travel Cost Scenarios

The Net Travel Cost of each card is calculated in each of the six currencies assessed. For the overall Travel Money Card Award, a weighted score based on these six currencies is calculated based on the net cost in each currency. The exchange rates used are taken from provider's websites twice a week, over a four week period.

Non-native transaction cost

The second component of the Price Score is the non-native transaction cost. This is a fee payable where there are insufficient funds available in the local currency, or the card is used for a purchase in a currency that is not supported. The product with the lowest fee in the market will receive the highest score, which is then added onto the Travel Cost Scenario Score to arrive at the total Price Score.

Travel Cost Scenario

The Net Travel Cost of each card is calculated in six different currencies, considering how much foreign currency will be available to the cardholder for the duration of their trip, after fees for loading and card use are subtracted.

Net Foreign Currency Available To Spend For a total load amount of \$5,000 NZD	
Converted To Foreign Currency At The Card's Exchange Rate	— initial loading cost for \$3,500
	— reload cost for \$1,500
	— cost of 10 foreign ATM withdrawals (conv. to NZD where applicable)
	— cost of 10 point-of-sale transactions (conv. to NZD where applicable)
	— closure fee and/or refund fee
	+ dollar value of reward points earned*

*the dollar value of reward points accumulated is individual to each provider's awards program, where applicable. Award weight structures are current as at May 28th 2018

Reward Points

Canstar considers that Travel Money Cards by certain providers offer the ability to earn reward points. The points will be earned on the spend basis outlined below for each of the currencies Canstar takes into consideration.

Country	POS Spend	ATM Spend
All Currencies	50% of Total Loaded Amount	50% of Total Loaded Amount

Feature Score

The feature score takes into account a number of features in two categories and 10 sub-categories, with individual features allocated points and each category, and subcategory, assigned a weighting. The product with the highest feature score is allocated the maximum score, with all remaining products within the profile scored against it.

The features categories and subcategories, with assigned weights, are:

Feature Category	Weights	Description
Terms And Conditions	40%	
Terms & Conditions	40%	Ability to lock exchange rate , Inclusion of back-up card, Emergency card replacement, Emergency fund access
Currencies Available	20%	Single/Multiple currency card, Maximum number of currencies at a time in the card, currencies available
Dispute Resolution	20%	Maximum time for disputes to be resolved, method of disputing transactions, average dispute resolution time, and authorisation holds.
Fees	10%	Fees for card closure, Replacement card fee
Limits	10%	Maximum number of cards a single person can hold, maximum amount you can load/reload, maximum ATM withdrawal

Accessibility And Security	60%	
Account Facility	30%	Purchase the card online, Access the account online, View transactions online
Reload	25%	Ability to reload the card, Reload using BPAY, Reload at time of purchase
Convenience	25%	Ability to use the card for online purchases, ATMS and POS, Access to free Wi-Fi providers networks
Security	10%	Chip & PIN protected, Signature panel on the reverse, Not linked to personal bank account
Distribution Outlet	10%	Ability to purchase through credit unions, travel agents

Does Canstar rate all products available in the market?

We endeavour to include the majority of product providers in the market and to compare the product features most relevant to consumers in our ratings. However, this is not always possible and it may be that not every product in the market is included in the rating nor every feature compared that is relevant to you.

How often are products reviewed for awards or Award purposes?

All ratings are fully recalculated every 12 months based on the latest features offered by each provider. Canstar also monitors changes on an ongoing basis. The results are published in a variety of mediums (newspapers, magazines, television, websites, etc.)

Does Canstar rate other product areas?

Canstar researches, compares and rates the suite of banking and insurance products listed below. These Award use similar methodologies to guarantee quality, consistency and transparency. Results are freely available to consumers who use the Award as a guide to product excellence. The use of similar Award logos also builds consumer recognition of quality products across all categories. Please access the Canstar website at www.canstar.co.nz if you would like to view the latest Award reports of interest.



- Business deposits
- Term deposits
- Credit cards
- Credit card rewards
- Home loans
- Kiwisaver
- Online banking
- Personal loans
- Savings accounts
- Transaction accounts

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