



# METHODOLOGY

## Travel Money Card Star Ratings

### Australia

#### What are the Canstar *Travel Money Card Star Ratings*?

Canstar *Travel Money Card Star Ratings* use a sophisticated and unique ratings methodology that compares both cost and features across travel money card products. Canstar star ratings represent a shortlist of products, enabling consumers to narrow their search to products that have been assessed and ranked.

#### Eligibility Requirements

To be eligible for consideration in the Canstar Star Ratings, 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 7 currencies:

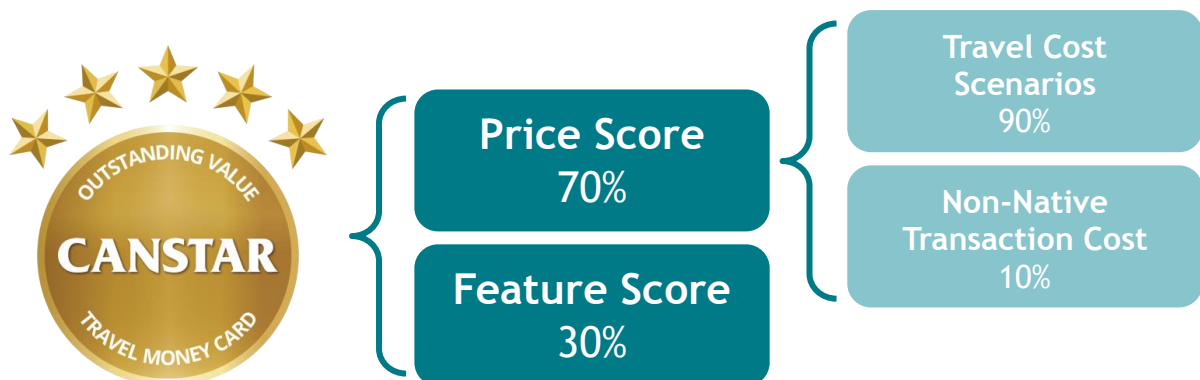
Currency	NZD	USD	EUR	GBP	THB	JPY	SGD
Weight	30%	20%	15%	15%	10%	5%	5%

#### Star Ratings Methodology

Each Travel Money Card reviewed for the Canstar *Travel Money Card Star Ratings* 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.

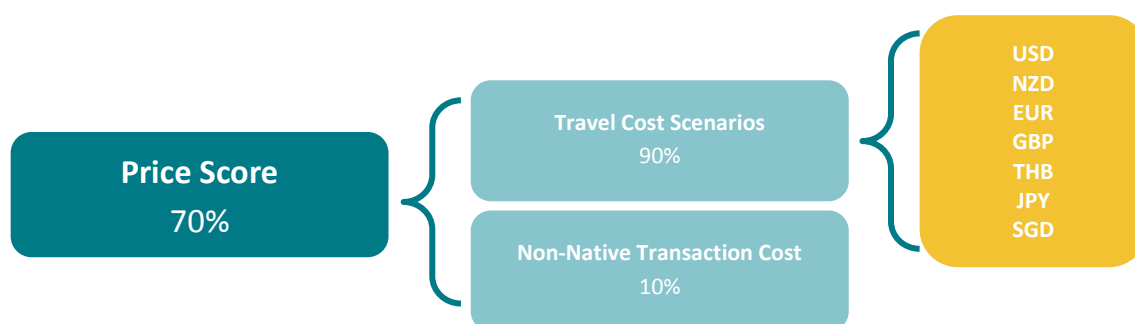
- Some providers charge for ATM withdrawals in foreign countries and others do not.
- There are products where the initial load is free but subsequent reloads are not, and some where there are almost no fees at all.

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 seven currencies assessed. For the overall Travel Money Card Star Rating, a weighted score based on these seven 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 seven 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.

<b>Net Foreign Currency Available To Spend</b> For a total load amount of \$5,000 AUD	
<b>Converted To Foreign Currency At The Card's Exchange Rate</b>	 initial loading cost for \$3,500
	 reload cost for \$1,500
	 cost of 10 foreign ATM withdrawals (conv. to AUD where applicable)
	 cost of 10 point-of-sale transactions (conv. to AUD 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 providers awards program, where applicable. Award weight structures are current as at May 28<sup>th</sup> 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
<b>Terms And Conditions</b>	<b>40%</b>	
<b>Terms &amp; Conditions</b>	40%	Ability to lock exchange rate , Inclusion of back-up card, Emergency card replacement, Emergency fund access
<b>Currencies Available</b>	20%	Single/Multiple currency card, Maximum number of currencies at a time in the card, currencies available
<b>Dispute Resolution</b>	20%	Maximum time for disputes to be resolved, method of disputing transactions, average dispute resolution time, and authorisation holds.
<b>Fees</b>	10%	Fees for card closure, Replacement card fee
<b>Limits</b>	10%	Maximum number of cards a single person can hold, maximum amount you can load/reload, maximum ATM withdrawal
<b>Accessibility And Security</b>	<b>60%</b>	
<b>Account Facility</b>	30%	Purchase the card online, Access the account online, View transactions online
<b>Reload</b>	25%	Ability to reload the card, Reload using BPAY, Reload at time of purchase
<b>Convenience</b>	25%	Ability to use the card for online purchases, ATMS and POS, Access to free Wi-Fi providers networks
<b>Security</b>	10%	Chip & PIN protected, Signature panel on the reverse, Not linked to personal bank account
<b>Distribution Outlet</b>	10%	Ability to purchase through credit unions, travel agents

## Does Canstar rate all products available in the market?

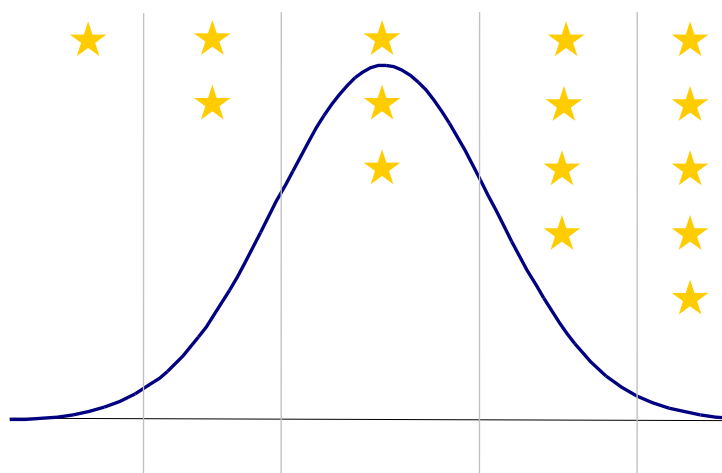
We endeavour to include the majority of product providers in the market and to compare the product features most relevant to consumers in our ratings. However, this is not always possible and it may be that not every product in the market is included in the rating nor every feature compared that is relevant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

## How often are products reviewed for awards or star ratings 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.)

## How are the stars awarded?

Products are ranked based on the total score received for each profile. Stars are then awarded based on the distribution of the scores with the objective to award the top 5-10% of products with the Canstar five-star rating.



## Does Canstar rate other product areas?

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



- Account based pensions
- Business life insurance
- Deposit accounts
- Health insurance
- Landlord insurance
- Margin lending
- Package banking
- Reward programs
- Travel insurance
- Agribusiness
- Car insurance
- Direct life insurance
- Home & contents
- Life insurance
- Online banking
- Personal loans
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- Credit cards
- First home buyer
- Home loans
- Managed investments
- Online share trading
- Pet insurance
- Term deposits
- Youth banking

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