

International Money Transfers

November 2021



What are the Canstar International Money Transfers Star Ratings?

Canstar's International Money Transfers Star Ratings use a sophisticated and unique ratings methodology that compares both cost and features across International Money Transfer providers. Canstar Star Ratings represent a shortlist of providers, enabling consumers to narrow their search to products that have been assessed and ranked.

Ratings range from five to one star. Five-Star Rated providers have been assessed as offering outstanding value to consumers.

Eligibility Requirements

To be eligible for inclusion in the Canstar International Money Transfers Star Ratings, an institution must meet the following selection criteria.

- Australian Authorised Deposit-taking Institutions (ADI) offering International Money Transfers.

Alternatively non-ADIs that meet the following requirements will be included in the rating:

- Open to personal (not exclusive to business) customers
- Allow transfers above \$15,000 AUD.
- Be the primary service provider (not a commission agent)
- Have been operating for a minimum of five consecutive years
- Peer-to-peer lenders must hold an AFSL
- In the absence of an AFSL, providers must only offer spot transactions

Star Ratings Methodology

To arrive at the total score, Canstar applies a weight against a Price and Feature Score. This weight will reflect the relative importance of either costs or features in determining the best product. This method can be summarized as:



Price Score

Price score consists of transaction scenarios, used to take into account the net cost of making an international payment across a number of currencies. In most cases, the margin that the issuer has built into the exchange rate is the largest part of the overall cost of the transaction compared to the relatively small direct transfer fee that is charged.

To find the overall cost of transferring money internationally, the transaction scenario calculations will consider the exchange rate and the cost to make the transfer, based on an average transfer amount of **\$15,000**. In some cases, particularly among non-ADIs, the exchange rate will change depending on the transfer amount. To account for this variation, the average exchange rate is calculated based on the rate applied at three spend levels: \$10,000. \$15,000. And \$20,000.

These costs are benchmarked against the mid-market no fee no margin rate. Subsequently, all providers display a cost to transact.



Method for calculating Net Cost:

1. Calculate the Net Foreign Currency after the costs and exchange rate have been applied
2. Calculate the benchmark Net Foreign Currency by converting each exchange with the best exchange rate across all currencies
3. Calculate the Net Cost of the transfer compared to the no fee no margin mid-market cost.

Net Cost: Institution AUD Cost of transacting - no cost mid-market AUD result

A score is calculated based on the Net Cost for each currency, with the lowest cost product receiving the highest score. The scores for each currency are then combined into a total Price Score. The weight that each currency is given as a proportion of the price score is shown in the table below.

Currency	Weight
USD	35%
GBP	25%
NZD	20%
EUR	15%
SGD	5%

Note: the exchange rate across a range of currencies outlined above will be captured over a one-month period taken twice each week. On each currency, the best average rate over the prescribed period will be used as the benchmark.

Feature Score

The feature score is designed to consider the customer journey, and how the product is used from opening the account to closure. Each category considers an array of features available across these services. The product with the highest feature score is allocated the maximum score, with all remaining products within the profile scored against it.

Feature Category	Weight	Description
Research and Currencies	15%	
Top Tier Currencies Available	60%	Top Tier Currencies Available
2nd Tier Currencies Available	20%	2nd Tier Currencies Available
Total Currencies	10%	The total number of currencies able to be exchanged and transferred
Rate Information	10%	Availability of rate information through branch / online / phone. Indicative rates shown online.
Account Opening	10%	Ability to open an account online / in a branch. ID verification options.
Account Loading	25%	
Australian Government Guarantee Scheme	70%	Are customers protected under the Financial Claims Scheme?
Loading Options	30%	Loading via direct debit, BPAY, debit card, branch. Time taken to load using these methods.
Transfer Facilities	40%	
International Payment Facilities	80%	Facilities available to make transfers (branch / online / phone)
Fees and Charges	20%	Fees for branch / online / phone transfers. Currency conversion fees and account fees.
Customer Service and Support	10%	Availability of customer support via call centre, live online help, FAQs, etc.

Note: Australian Government Guarantee Scheme has been added to ensure the benefit of holding money in a deposit account at an ADI (as opposed to in a trading account or the like with a non-ADI or peer-to-peer provider) prior to executing a transaction is captured.

How is the Canstar International Money Transfers Award Calculated?

Canstar Outstanding Value Award

Canstar recognises International Money Transfer providers that deliver outstanding value to Australian customers. The Canstar International Money Transfers Outstanding Value is awarded to the top performing services that are available in Australia. Products that have achieved 5-stars in the Star Rating will also be awarded an Outstanding Value Award.

How often are products reviewed for Star Ratings and award purposes?

Ratings and awards are recalculated annually 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, magazine, television, websites, etc.).

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 process 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.

Does Canstar rate other product areas?

Canstar researches, compares and rates the suite of banking, wealth 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 if you would like to view the latest Star Ratings reports of interest.

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



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The ratings and awards results do not include all providers and may not compare all features relevant to you. The rating or award is only one factor to take into account when considering these products. Canstar acknowledges that past performance is not a reliable indicator of future performance.

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