

# The hidden cost of moving money internationally

UK banks charge SMEs

# £2.8 BILLION

in hidden money transfer costs per year

## Banks are underserving and overcharging UK SMEs

High costs, poor service and a lack of transparency from banks is bad for UK business

### Cost

- Based on a notional SME payment of **£50,000** into Euros
- The average cost of making a payment is **2.40%** or **£1,198**
- Of this, **£1,183** is hidden, based on the bank's spread

### Transparency issues

- Bank spreads may be hidden
- Exchange rates are often not fixed until payments are executed
- Comparing exchange rates is almost impossible
- Lack of visibility on progress of payment

### Bank payment services

- Lack features and functionality
- Offer poor customer service
- Haven't been designed specifically for SMEs

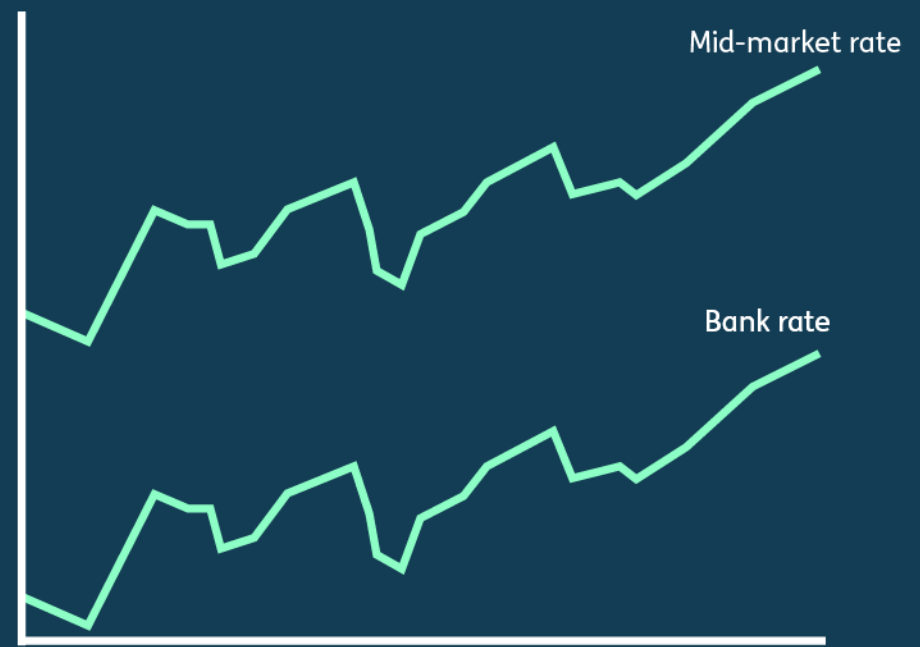


**98%**  
of costs  
are hidden

## Banks hide huge fees in the exchange rate

High costs, little transparency and poor utility from banks is bad for UK businesses

- 98% of a bank's profit for an average (**£50K**) payment within the EU comes from the FX margin
- UK banks charge **£2.8bn** in hidden fees
- Recent research shows that **78%** of SMEs use their bank for international payments



## Let's see how this would affect a £50,000 payment into EUR...

- High street banks typically charge an average of **£1,198.00** which is unlikely to be quoted explicitly
- Traditional FX broker rates are variable and costs may be difficult to quantify
- Fintechs are likely to be the cheapest providers with transparent pricing and SME-focused platforms