

## Transaction Fees Normally Charged On Credit Cards

Contributed by Webmaster

By Alisdair Cosgrove

When you use a U.S. credit card abroad almost all of the major card companies charge a two to three percent foreign transaction fee.

Not until recent years, many credit card companies did not clearly explain these fees in their terms and conditions. Earlier this year many consumers were notified of a class action lawsuit settlement concerning these fees.

Now that the lawsuit has been settled, credit card companies are required to clearly state foreign and international transaction charges on credit card applications.

If you do not know how much your current credit card company charges for international transactions, contact the customer service representative to find out, most will inform you that the fee is three percent. Paying an extra three percent on every purchase is very tough on the wallet, however, there are some ways to avoid paying for these charges.

The foreign currency rate you will receive from your bank may be much better than that of a foreign currency exchange booth.

ATM withdrawals usually are free from foreign transaction fees, however if you will be using a debit card as a credit card there may be some risks. A credit card provides much better fraud protection than a debit card and for this reason using a debit card abroad to make purchases can be risky.

If some unscrupulous merchant overcharges you or uses your card fraudulently you can contest it and receive a refund. When a debit card is used in a fraudulent manner, it will mean an empty bank account and it will take longer for you to see any refunds on the stolen funds.

It seems that the best way to pay no international transaction fees is through the use of the credit cards that charge no fees; these no fee credit cards give you security without the added expense.

It is always great to know just how much you will be spending in your day to day life, but it is even better when you are vacationing because ATM fees are charged for each transaction. Very few people have a very good idea how much cash they'll require while traveling; unless you're the exception and have a fairly precise budget, it's difficult to extract the correct amount in a single transaction.

You may at many times find it difficult to locate a cash machine in many foreign countries, but you must be careful to not take the first opportunity to draw out an excessive amount of cash; you could be positioning yourself for the risk of theft. Converting funds back to your local currency also carries fees in addition to the fees you paid to convert to the foreign currency.

Travelers checks do offer a bit more security than cash does, they can be replaced if lost or stolen, but there is a fee to purchase them and they are not accepted in some places.

When applying for the credit card you believe will not charge any additional fees for foreign purchases, be sure you study the terms and conditions carefully to be absolutely sure the card you are getting is the right card. If the card has a high rate of interest, be sure of the terms, to know whether you can pay of the balance quickly so you will not have to pay extra fees of a different sort.

Alisdair Cosgrove has been writing finance articles for many years and can find more of his work at the UK site [CreditCardsWeb.co.uk](http://CreditCardsWeb.co.uk), offering free credit cards for UK residents and also more information on credit cards and store cards.