

## Save money when transferring abroad – Review of TransferWise

### Description

#### Did you know about these hidden costs in money transfers?

[75% of Singaporeans don't understand the true cost of sending money overseas – which includes both upfront fees and an exchange rate markup.](#)

If you've ever transferred money abroad, you'd be familiar with how the money that's received on the other end is usually much lesser than you thought it'll be.

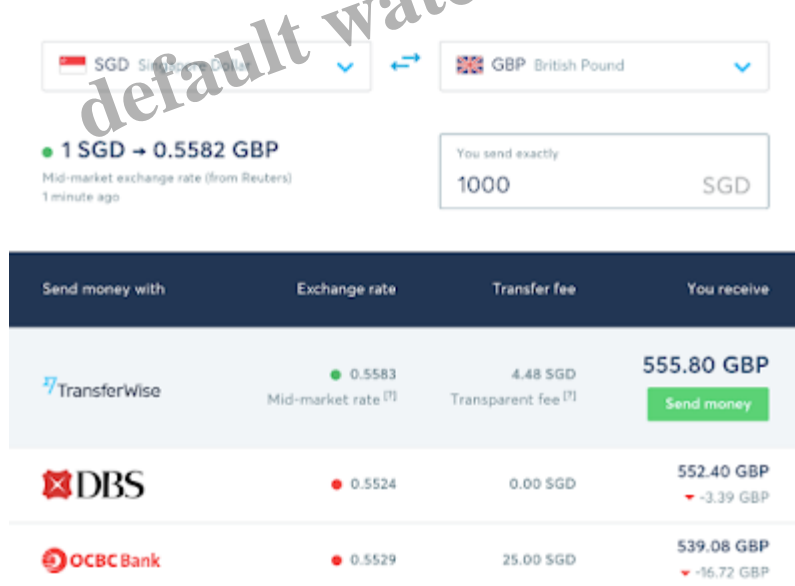
I first experienced this when I had to make USD transfers for my crypto transactions and trades last year. There were so many hidden costs, to which I mostly attribute to:

- (i) a higher exchange rate charged by the banks
- (ii) a service fee for the transfer

In some transfers, banks go through numerous third parties as well before the money reaches the other end. In such cases, each third party takes a fee as well, so your capital becomes smaller and smaller.

Even if there's a \$0 transfer fee charged, it doesn't necessarily mean that is the best value-for-money option...because you ought to measure it by how much you receive on the other side, and not how much you're charged for the transfer.

So when someone told me about [TransferWise](#) and how the fintech seeks to disrupt the money transfers market, he certainly got my attention.



What really intrigued me was how [TransferWise](#) charges just under \$6 to send S\$1k to the UK, in contrast to the other banks, particularly [Standard Chartered and HSBC, who charge S\\$55 – S\\$57 for a single overseas transaction.](#)

#### \$0 fees / zero commissions promotions aren't always the cheapest

Banks that offer \$0 fees / zero commission are great...but if this comes at the expense of a higher exchange rate, that's where consumers need to be careful as well. In fact, it'll be best that you always check.

#### Don't assume that both routes are priced the same

I was surprised to see [TransferWise](#) recommend customers who are looking to transfer GBP to EUR to use Western Union instead, based on grounds that Western Union is consistently cheaper than [TransferWise](#) on this route.

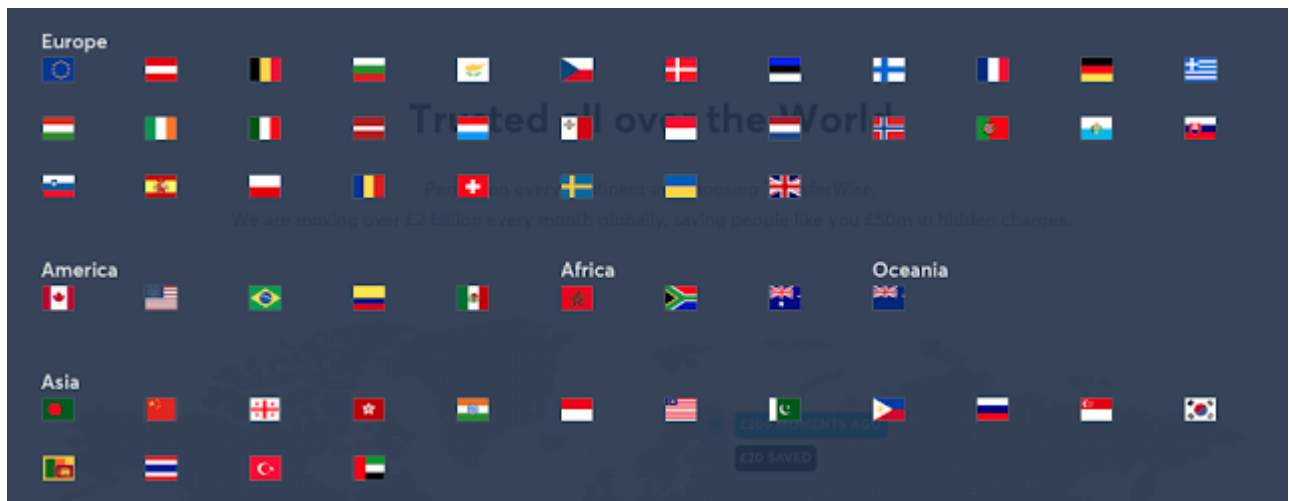
However, when you switch the route and try sending EUR to GBP, the fees become 6 times more. [Western Union now becomes the cheapest in one direction, to being the most expensive \(even more than the banks\) in the opposite direction.](#) You should be asking, why are people charged more to send money than people sending in the opposite question?

That's why it pays to always compare, compare, compare. Or stick to a provider who's known for (almost) always being the cheapest, but still be open to alternatives or the occasional promotions when other competitors come up with them.

## My [Review of TransferWise](#)

[TransferWise](#) is a fintech company with a mission to allow customers and businesses to send money overseas at lower costs. They're able to do this as they've built a global network of (their own) international accounts, which allows them to send your money in over 60 different currencies for up to 8 times cheaper than a bank.

They're now available in close to 60 countries, covering over 500 currency routes. Whether you're transferring money to India, Philippines, Bangladesh, Pakistan...or to Europe and the U.S., you can see the whole list below:



### Is [TransferWise](#) regulated?

That was the first question I asked, haha! So yes, aside from being regulated by the Monetary Authority of Singapore (MAS) and the Financial Conduct Authority (FCA), you can also [check out their respective in-country licenses and approvals here](#). Being regulated under the FCA also means [TransferWise](#) is subject to the same rules as banks, so you don't have to worry about the safety of your money.

In other words, your money is safe when you transfer with them!

It is relatively easy to get started – simply sign up on their website and follow the instructions:

### How much would you like to transfer?

You send  
1,000 SGD

[Hide fee breakdown](#)

- 0 SGD Bank transfer fee
- 10.43 SGD Our fee
- 10.43 SGD Total fees
- 989.57 SGD Amount we'll convert
- 39.52326\* [Guaranteed rate \(48 hrs\)](#)

Recipient gets  
39,111.03 PHP

Should arrive by Jun 11

Continue

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### Is this a personal or business transfer?

- Personal**  
If you're paying in from your personal bank account.
- Business**  
If you're paying in from your business's bank account.
- On behalf of someone else**  
Sorry, TransferWise accounts cannot be shared with friends and family.



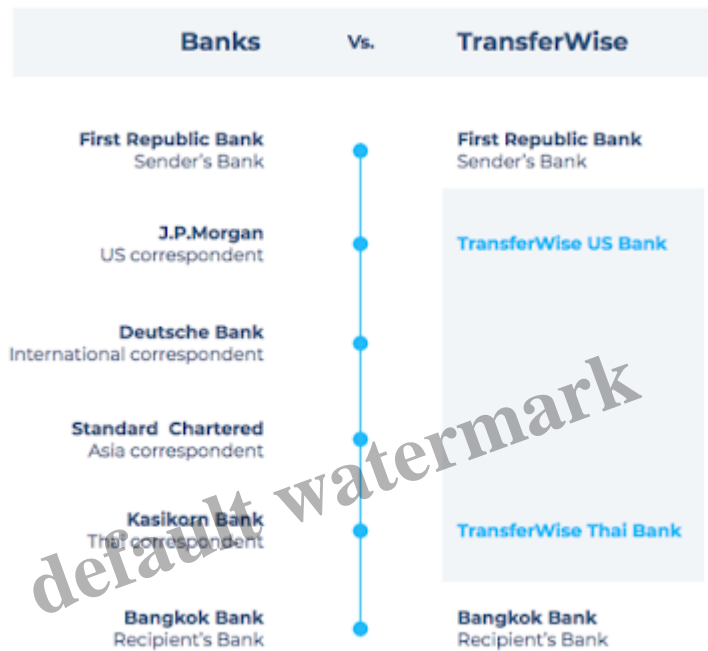
Once you've entered your details as well as that of your recipient (for them to send your money to), you'll be instructed on how to make payment to their local account in your home country, and then you can simply sit back and wait for the transfer to take place!

### How does [TransferWise](#) work?

Waitttttt, what's the catch?! Surely there must be a reason why others have to pay such high fees and [TransferWise](#) doesn't. What's their trade secret?

It isn't rocket science, actually. Instead of paying exchange rate markups AND transfer fees, TransferWise guarantees the mid-market rate (on Reuters) on every transfer. A simple illustration is this:

- You transfer money to [TransferWise](#) Singapore
- [TransferWise](#) Singapore transfers to [TransferWise](#) London



Since money doesn't actually cross borders (i.e. the international transfer is a combination of two local transfers), they're able to bypass the third-parties and middlemen, and this is simply a transfer between [TransferWise's](#) own accounts, that's how they can offer lower rates to consumers like you and I.

Today, more than 3 million people around the world use [TransferWise](#). As a result, they're also one of the few profitable fintech startups in the scene.

You can also read more about [how they do it here](#).

## Who I think will find [TransferWise](#) useful

There are quite a few groups of people whom I think will find [TransferWise](#) a godsend in helping them cut costs of their international money transfers.

These are:

## **1. Overseas exchange / studies – parents or students**

If you're a student studying overseas, you can get your parents to remit your money to you using [TransferWise](#). Whether you're studying in Australia, US or the UK, TransferWise has local accounts in pretty much all the major countries. Given how many Singaporean students go on overseas exchanges and need to pay for tuition, accommodation and other living expenses, [TransferWise](#) should be quite helpful in this case.

When I went for my (two) overseas exchange programs during my university years, it cost a bomb to transfer money from Singapore to abroad, and sending it via international bank transfers weren't cheap at all!

## **2. Expats sending overseas to your own accounts**

If you're an expat working in any of the 59 countries shown above, and need to send money back to your own home country account, you'll find this useful. Many expats presently use [TransferWise](#) for this purpose to send to their own account(s) in the US, India, Europe and more.

## **3. Foreign workers**

Whether you're a blue or white-collared worker here, who came to Singapore looking for a better job or higher pay prospects so you can support your family members in Malaysia, Philippines, Indonesia or elsewhere... [TransferWise](#) can help.

In fact, many foreign domestic workers use [TransferWise](#) since they've accounts in most countries in Asia, where many of our FDWs are from.

## **4. Business owners who need to pay your suppliers from overseas**

Many businesses here rely on overseas suppliers, and payments routed through PayPal or your bank often charge a high fee. You can avoid or reduce those fees by going through [TransferWise](#) instead! Simply add your supplier as a recipient and the money will be transferred from a local account there to theirs. The money you save will be substantial, especially if you've a high frequency of payments!

## **5. Small business owners who need to hire and pay freelancers from overseas**

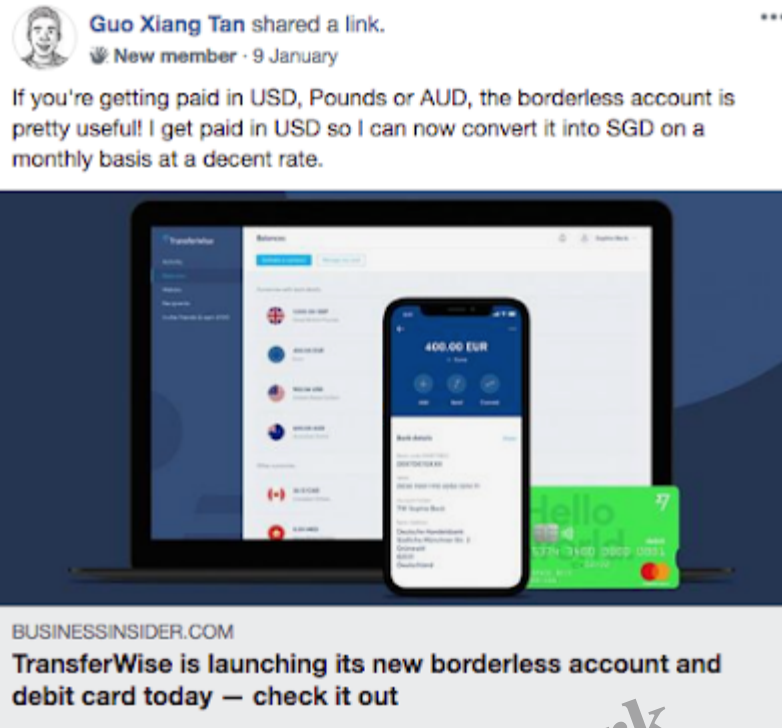
Just hired a freelance web designer, developer, copywriter or coder from abroad? Or if you're like some business owners I know, who rely on overseas writers to churn out their content and orders, you can easily make payment to them every month now via [TransferWise](#).

## **6. ANYONE who needs to hire and pay freelancers from overseas**

Just hired a freelance designer overseas to help design your wedding invites? I know of one bride who hired a Russian designer and had issues transferring the money when it came down to payment time. You can easily bypass this hurdle by using [TransferWise](#) as well!

Here's what [other Singaporeans are saying](#) about [TransferWise](#):

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- A screenshot of social media comments. The comments are arranged vertically. Each comment includes a profile picture, the user's name, the text of the comment, and the number of likes. A large, semi-transparent watermark reading 'default watermark' is overlaid diagonally across the middle of the comments.
- Luke Ho** I use Transferwise. No issued so far and would recommend it.  
Like · Reply · 32w · 1
  - Justin Lee** Are the rates competitive? Or like no point comparing if it's negligible kind?  
Like · Reply · 32w
  - Luke Ho** More on the second one, in my opinion. Unless youre doing this long term and regularly, the amount of time invested in comparing would render that effort kind of moot. Transferwise is easy to use - just prepare some documentary proof of who you are, your address etc..theyll have you rolling by the next day.  
Like · Reply · 32w · 2
  - Thomas Teo** | second transferwise  
Like · Reply · 32w
  - Philip Chor** Transferwise is good!  
Like · Reply · 31w
  - Royston Cheng** DBS do have one of the better forex rates. However I've been using Transferwise for the last 4 years. I was one of the earlier users. Have never looked back ever since.



Of course, don't just take my word for the lower fees – [go compare for yourself here](#), or simply calculate using this nifty calculator below:

I hope this helps all of you when it comes to sending your money *safely and cheaply* abroad. [Click here if you'll like to try out TransferWise for cheaper international transfer now!](#)

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With love,  
Budget Babe

## Category

1. Savings