

## Different ways of paying in / getting foreign currencies

### 1. Masha can exchange Canadian dollars into US dollars at her bank, before she travels to the US.

- She could do it in person at the branch. or online (with pick-up or delivery to her home - there may be a fee, depending on where she lives).
- She'll exchange Canadian dollars from her bank account.
- If she didn't have an account at the bank where she wanted to transact, she should be able to exchange cash - when in person at the branch.
- For some currencies, like the US dollar, Masha can withdraw US dollars from the bank's US-dollar ATM, using her regular debit card.
- Instead of taking US cash, Masha can load the currency into a prepaid card she'd purchase at the bank.
  - It's harder to steal money from a card.
  - And Masha can add foreign currency to the card when banking online.

Pay with a pre-paid foreign currency credit card issued by your bank	<p><b>Pros</b></p> <ul style="list-style-type: none"> <li>• You get a certain exchange rate when you load the card - no surprises.</li> <li>• You can get the card in person at the branch or order it online.</li> <li>• You can reload the card online exchanging the Canadian dollars in your bank account.</li> </ul> <p><b>Cons</b></p> <ul style="list-style-type: none"> <li>• You still have to exchange the money in your Canadian dollar account to the foreign currency in order to load up the card - the bank you're dealing with may not have the most advantageous exchange rate.</li> <li>• If there are additional fees, you'll know it when buying the card.</li> </ul>
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### 2. Min-soo wants to use a currency exchange bureau in his home town to get Korean won.

- Just like Masha, he could do it in person - most likely he'd have to call and pre-order the currency (he would not have to do that if he wanted US dollars, a currency much easily available in Canada than the won).  
Or he could do it online.
- Large independent exchange bureaus often offer more favourable exchange rates than banks do.

### 3. Sunil did not have time before his trip to Europe so took some Canadian cash with him and bought Euros at the airport, at the currency exchange bureau before boarding his plane.

- Currency exchange bureaus can be found at airports, border crossings, or train stations.
- Rates at currency bureaus in 'touristy' places are usually less favourable than alternatives.

4. Dorota was picked up at the airport by her family and did not need any local money for a few days. Eventually, she exchanged Canadian dollars to Polish zloty at a local currency exchange bureau.
- Currency exchange kiosks / change bureaus can be found at major hotels, large shopping malls, as standalone exchange counters in city centers, and in some countries at the post office.
  - It's usually a cash for cash exchange.

<p>When travelling, exchange Canadian dollars to the foreign currency, either in Canada or at your destination, and pay in cash using foreign currency</p>	<p>Pros:</p> <ul style="list-style-type: none"> <li>• You can get the most advantageous exchange rate by shopping around.</li> </ul> <p>Cons:</p> <ul style="list-style-type: none"> <li>• Shopping around takes time and energy.</li> <li>• You may be uncomfortable looking for currency exchange bureaus and exchanging money there.</li> <li>• You carry cash and risk being robbed.</li> </ul>
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5. James was on holidays in Scotland. He paid for his hotels with his Canadian dollar credit card.
- It was convenient and he did not think about it twice - until he got his next credit card statement.

<p>Pay with your Canadian dollar credit card</p>	<p>Your card provider will apply a current exchange rate to the transaction when it's posted and the transaction will show in Canadian dollars on your statement.</p> <p>Pros</p> <ul style="list-style-type: none"> <li>• Little fuss - you use your existing card as needed.</li> </ul> <p>Cons</p> <ul style="list-style-type: none"> <li>• The exchange rate will not be to your advantage.</li> <li>• You will not know what the exchange rate is before making the transaction - you'll see what it was when you get your credit card statement.</li> <li>• Your bank may apply additional transaction fees.</li> </ul>
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6. Stephanie bought cosmetic products on a US website, priced in USD, and paid using her Canadian dollar credit card. She sent it back within the no-penalty return period, and the vendor credited the full amount in USD to her credit card. But she received nearly 10% less in Canadian dollars than she initially paid, despite the fact that the exchange rate has not moved at all. This is because there were two foreign exchange transactions - the provider charged fees for both. And she bought USD in the first transaction at a higher rate than she sold USD back to the provider in the second transaction.

7. When Jorge visited friends in Santiago de Chile, he used his Canadian debit card at a local bank's ATM to withdraw Chilean peso from his chequing account.
- It was convenient but he was charged local bank fees and ATM fees.

Pay with your Canadian dollar debit card	Cons: <ul style="list-style-type: none"><li>• It's better not use your debit card for online payments or when you travel. In case you've been hacked, you could be risking your entire banking set-up, rather than just one credit card.</li><li>• Also, debit cards often have additional foreign transaction fees.</li></ul>
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