

## International Money Transfers

### 5 things to know

The terrible situation in Ukraine right now has many Canadians wondering how to best send money to loved ones overseas. There are a few things you should know when sending funds to ensure your money gets to the right person at the right time.

According to Statistics Canada, international money transfers have increased steadily since 2000, and industry experts are paying attention. The World Bank estimates that transfers to low- and middle-income countries increased by 10% between 2017 and 2018, reaching a record \$529 billion in 2018.

### Step 1: Beware of frauds and scams

Oftentimes, scammers will take advantage of a disaster to pretend to be someone in desperate need of money. If you're unsure of who you're talking to, or even if they're pretending to be a loved one but you suspect something is amiss, don't send money until you verify they are who they say they are.

For up to date information about current frauds and scams, [check the recent bulletins from the Canadian Anti-Fraud Centre](#).

### Step 2: Know your options

Canada provides safe and legitimate mechanisms for sending money to people in other countries. Money can be easily transferred electronically via online banking, which is a less expensive alternative to the once traditional in-person options such as banks, credit unions, money transfer companies, check cashing businesses, and currency exchanges.

If you're not comfortable using online banking, talk to your bank about how they can help.

### Step 3: Consider the costs

Fees and exchange rates will apply to your transaction; if you use your credit card to send funds, this will be treated like a cash advance, so you'll also accrue interest charges. Fees average around 6% of the amount transferred, an amount questioned and challenged by the United Nations. One of its Sustainable Development Goals includes a specific target to "by 2030, reduce to less than 3% the transaction costs of remittances... with costs higher than 5%."

Regulated institutions like banks are obligated to tell you how much this overseas transaction will cost you. Other non-regulated businesses can profit by charging customers a higher exchange rate, so be sure to ask up front how much you are going to have to spend.

## Step 4: Consider the details

Be absolutely certain that you have the correct bank account information for the recipient, otherwise the transfer can be lost. Ask how long it will take for the funds to arrive, as it could take longer than expected, especially in areas of active conflict, and how much the intended recipient will receive. Will they have to pay a fee to access the transferred funds? Is there a limit on how much money you can transfer?

## Step 5: Act quickly and efficiently

If you are sending funds to loved ones in an emergency, you may not have time for research or shopping around. The Better Business Bureau (link below) has a helpful "Get a Quote" service so that you don't have to do it yourself. For future transfers, take some time to ensure the service works efficiently for you as the sender and for the recipient. Do your due diligence. Ask questions. See what's available to you in your existing suite of banking services. It's important to protect your financial security while ensuring that the person or people you are supporting get what they need. When you have the time, it's worth the time.

## Resources

**Government of Canada:**

<https://www.canada.ca/en/financial-consumer-agency/services/payment/international-money-transfers.html>

**Better Business Bureau (search "money transfers" by Canadian city):**

<https://www.bbb.org/search>