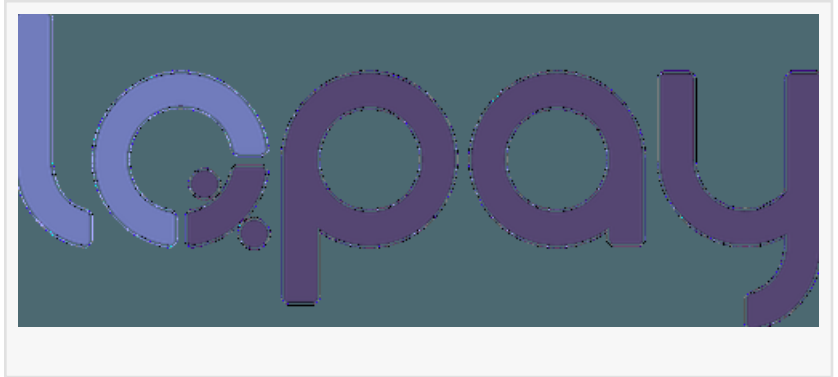


The costly mistakes Americans should avoid when traveling abroad: Expert advice on card payments

LONDON, UNITED KINGDOM, May 29, 2025 /EINPresswire.com/ -- With more than 40 million Americans traveling to Europe last year [1], understanding how to avoid unnecessary fees when using your credit or debit card abroad is more important than ever.



Richard Carter, CEO of low-cost payment processing app Lopay, is sounding the alarm on some surprisingly common—and costly—mistakes travelers make when using cards overseas. Carter, who has spent years helping businesses in the U.K. reduce payment processing costs, expanded Lopay to the U.S. to challenge pricey providers like Chase, Zettle, and Square. While other processors often charge 2.29% to 2.6% plus 10 cents per transaction, Lopay starts at just 1.99% plus 10 cents—among the lowest rates available in the U.S.

Now, Carter is sharing his tips to help consumers avoid being overcharged abroad, especially when fees can pile up quickly. For example, many U.S. debit cards charge \$2–\$5 per overseas ATM withdrawal, and credit cards may add a 3% foreign transaction fee. Even everyday purchases can trigger added costs. A \$50 meal could cost you \$1.50 or more in fees depending on the card used [2].

Here are Carter's top tips to avoid those extra charges while traveling:

1. Always pay in the local currency

When using a card abroad, you're often asked whether you want to pay in U.S. dollars or the local currency. Always choose the local currency—whether at a restaurant, store, or ATM.

Choosing dollars allows the vendor or ATM provider to set the exchange rate, often adding a hidden markup that can range from 3% to over 10%.

"This is the number one rule I give to family and friends," says Carter. "Don't pay more just for

the convenience of seeing the charge in dollars. Use a currency converter app to check the amount in real time if needed.”

2. Get a card with no foreign transaction fees

Several U.S. banks offer cards designed for international use. Carter recommends looking into options like: Charles Schwab Debit Card, Capital One Venture, or Chase Sapphire Preferred.

These cards don’t charge for overseas spending or ATM withdrawals.

3. Use a credit card, not a debit card

Credit cards offer better fraud protection than debit cards while abroad. In most cases, your liability for unauthorized credit card charges is capped at \$50 [3]—and many issuers offer zero liability.

Debit cards, on the other hand, may expose you to more financial risk if lost or stolen, especially if not reported quickly.

4. Avoid ATM withdrawals when possible

Withdrawing cash overseas can trigger multiple fees:

- ATM fees from the foreign bank
- Currency conversion fees from Visa, Mastercard, or Amex
- Additional “out-of-network” fees from your U.S. bank

On average, debit card users face a 2.75% foreign transaction fee; credit cards can add up to 2.95% [4]. Some banks also set a minimum ATM fee (e.g., \$3) or cap it at 3% of the withdrawal.

If you must use an ATM, always decline conversion if prompted. This avoids the ATM’s inflated exchange rate and charges you in the local currency instead.

5. Bring some local cash (but exchange it wisely)

While it’s tempting to rely entirely on cards, it’s smart to carry a small amount of local currency. Just avoid exchanging money at your home bank or at airport kiosks—both typically offer poor rates.

Instead, compare exchange services at currency specialists or credit unions before your trip. Sites like MoneySuperMarket can help you find better rates and even arrange for delivery or local pickup.

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