

Virgin Money ditches foreign currency fees for debit cards

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Customers had been charged 2.75% on foreign currency purchases

Virgin Money customers no longer have to pay foreign currency fees when using their debit cards overseas.

On Friday, the challenger bank ditched all foreign currency charges for current account holders who withdraw cash or pay using their cards outside the UK.

Customers had been charged 3.75% on cash withdrawals and 2.75% on foreign currency purchases, with a minimum charge of £1.50 per transaction.

Zack Hocking, head of personal deposits at Virgin Money, said the change gives customers certainty that they face no additional charges.

Andrew Hagger of Moneycomms said the offer was positive, but suggested Virgin Money is trying to keep pace with Starling Bank, which already offers this.

Monzo and Revolut banks allow free payments abroad, but a 2% charge is payable if more than £200 is withdrawn in cash. Metro Bank offers free transactions in Europe but not worldwide.

“The danger for providers like Virgin is that customers open an account purely for the free card perk and don’t make use of the bank as their main current account,” said Hagger. “It’s the cross-sales of other bank services that offset the cost of offering a free debit card.”

Virgin Money was bought by CYBG, parent company of Clydesdale and Yorkshire banks, for £1.7bn in 2018. All three brands are now incorporated under the Virgin Money umbrella.