



Jon and Tracey Abbott used a forex dealer when they bought their apartment in Lanzarote, saving hundreds of pounds



Buying abroad? Don't let the banks cash in

BRITONS buying property abroad could have lost out on up to £1.8billion because high street banks offer such a poor deal on foreign exchange, according to new research.

About 550,000 British people own a second home overseas and most will have used a high-street bank to convert their cash into foreign currency before they purchase.

But banks are in effect charging up to 4% over the odds for the currency exchange. This could cost an extra £3,032 on a property worth €100,000, according to research from Foreign Currency Direct (FCD), a forex broker.

Last Friday, for example Lloyds TSB was offering an exchange rate of €1.40 to the pound. So if you bought a property worth €100,000, it would have cost £71,129.

FCD was offering an exchange rate of €1.46, so the same property would have cost you £68,097 — a saving of £3,032.

With HSBC, a property worth 100,000 would have cost you £70,827 last week an extra £2,730.

Peter Ellis at FCD said: "Most high-street banks offer uncompetitive exchange rates. But many people aren't aware there is an alternative."

THE COST OF €100,000

Institution	Rate*	Cost of €100,000
Lloyds TSB	1.4059	£71,128.81
HSBC	1.4119	£70,826.55
Bank of Scotland	1.4452	£69,194.58
Natwest	1.4460	£69,156.29
Nationwide	1.4486	£69,032.17
Barclays	1.4640	£68,306.01
CFX	1.4653	£68,245.41
FCD	1.4685	£68,096.70
HIFX	1.473	£67,888.66

*Exchange rates obtained on February 3 2006.

Sources: FCD, CFX and HIFX