

Money in Spain

All the information specified on the subject matter of money is only to be used as a guide.

Until such time as the UK joins the Euro currency, it will be necessary to think about the various methods of bringing spending money to Spain.

You can bring money in a variety of ways:

- Sterling cash
- Spanish cash (Euros)
- Travellers cheques
- Credit card
- Debit card
- a combination of these

You can simply bring your Sterling cash with you. You will probably want some to spend on the journey anyway (for example at the UK departure airport). However, you will need to change it into Euros when you get there. You can do this at most hotels, airports, exchange bureaus (casas de cambio), travel agents and banks. There will be a charge levied either in the form of a commission, an unfavourable exchange rate, or both. A bank will probably give you a better deal than your hotel. However your hotel is more convenient and the hotel reception will be open longer hours than the bank. Banking hours in Spain are usually 8:30 am to 2pm.

It is worth having at least some of your cash in local currency before you travel. Then you will be able to buy a drink, meal, etc as soon as you arrive without having to worry about cashing a traveller's cheque or changing your money. You can buy foreign currency at banks, exchange bureaus, travel agents, and the post office. You will pay to do this by a commission, an unfavourable exchange rate, or both. Shop around! You don't have to use your own bank so try telephoning all the high street banks in your area to get the best deal. Internet and telephone banking services may also offer a good deal. For example if you have an account with the telephone/internet bank First Direct you can order your foreign currency by phone and it will be sent to you by registered mail. The Post Office can offer foreign exchange free of any commission but the rates are usually slightly worse than those offered elsewhere. Call into any main Post Office for details or telephone 0845 7223344.

Bringing your debit card or credit card on Holiday is a good idea. Even if you don't use it its nice to have for emergency use. You can use your card to pay for goods and services in many shops and restaurants in Spain. In addition you can get cash from most cash machines in Spain. Using your credit card or debit card abroad will incur charges and may not attract the most favourable exchange rates and/or commission. A phone call to your bank or card provider before you go will warn you of these and enable you to choose the cheapest method. Ask the following questions:

- Charges associated with using your debit card in a shop in Spain
- Charges associated with using your debit card to withdraw cash from a cash machine in Spain
- Exchange rate used by your card provider when you use your debit card in Spain.
- Charges associated with using your credit card in a shop in Spain
- Charges associated with using your credit card to withdraw cash from a cash machine in Spain
- Exchange rate used by your card provider when you use your credit card in Spain.

Traveller's cheques are a safe way to bring money on holiday but not the most convenient or the cheapest. You will need to buy them from a bank or agent before you travel and you will need to exchange them for foreign currency when you get to your destination. You pay commission when you buy travellers cheques and some outlets also charge a fee when you use them on holiday. The inconvenience and charges are balanced by the safety. If you lose your travellers cheques, or if they are stolen, you can claim your money back. Useful in particular if you intend taking a large amount of money on holiday. You may decide that the cheapest method is not the easiest and you may be prepared to pay a small premium for convenience. Remember that when you are changing money it is usually more cost effective to change a large amount at one time rather than several small amounts on different days. If you are travelling as a group it may save commission if everyone changes their money as one transaction. Remember to organise your money well in advance of your holiday, travel agents and small bank branches can take several days or longer to order your foreign cash.

The Euro

The eleven countries in the euro zone changed over to the single currency on 1 January 1999. This means that the euro became their only legal currency and their old national currencies became sub-units of the euro. The last phase of the changeover was on 1 January 2002 when euro notes and coins went into circulation and the authorities withdrew the old national currency in each member of the euro zone. The exchange rate for the Euro has been fixed permanently at 1 Euro = 166.386 pesetas. From January 2002 Euro notes and coins have been used in Spain. You will need Euros in Spain (not the old currency Pesetas).

What do you do with any leftover Euros after your holiday?

Keep them for your next holiday! They can be spent in any Eurozone country e.g. Austria, Belgium, Finland, France, Germany, Ireland, Italy, Luxembourg, the Netherlands, Portugal, and Spain. "Spanish" Euro notes and coins can be spent in any other Eurozone country, and Euros from any other country can be spent in Spain, you do not need to change them. If however you change them back into Sterling you will pay bank charges.