

Foreign exchange fees cost Malaysians studying abroad about RM70mil each year: Research

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Malaysians studying overseas overpay approximately RM69.9 million in total transfer fees every year, according to new research from Wise. - AFP pic

KUALA LUMPUR: Malaysians studying overseas overpay approximately RM69.9 million in total transfer fees every year, according to new research from Wise.

With close to 60,000 Malaysians studying abroad, this would be an average of RM1,183 lost annually per student from transfer-related fees, the study revealed.

The research by global technology company Wise ranked the 10 most expensive destinations to study abroad, both in terms of tuition costs and money lost to hidden fees.

It also found that international students globally overpaid approximately RM5.3 billion annually in hidden transfer fees when moving money across borders.

Malaysian students had spent the most money on education in the United States (US), with an average of RM130,470 spent per year – even higher than the global average, Wise said, citing its internal data.

Australia and the United Kingdom – both in the top five education destinations for Malaysian students – were also expensive countries to study in, with annual costs averaging between RM65,665 and RM77,221 annually, said Wise, a foreign exchange financial technology company.



Singapore, the closest international destination surveyed, proved to be the most costly in transfer fees, with students losing RM3,719 on average every year. - NSTP pic

"Singapore, the closest international destination surveyed, proved to be the most costly in transfer fees, with students losing RM3,719 on average every year," it said in a statement today.

It was followed by Canada (RM1,336), New Zealand (RM1,333), and the US (RM1,318).

Wise's country manager for Malaysia Lim Paik Wan shared simple ways students can get a head start on saving more and managing their finances wisely, such as keeping an eye on hidden fees.

"The first thing to check when moving money internationally is the total cost which includes the upfront fee and exchange rate.

"The upfront fee may be advertised as low or even 'free', but be aware that it may not represent the actual total cost.

"Hidden fees can lie in the exchange rate, where providers tend to add an undisclosed markup instead of using the mid-market exchange rate," he said.

Never underestimate the benefits of student-only offers and loyalty programmes, urged Lim.

"From the coffee shop on campus to grocery stores and cinemas to transit passes, making a habit of checking for any available student deals can net significant savings in the long run," he said. – BERNAMA