

Online money transfers and their advantages

It is no secret, that billions of dollars are sent all over the world each year. For example, remittances from the developed world to less wealthy countries in 2018 were about 550 billion dollars. Statistics say that on average about 7% is spent on a commission and all kinds of fees.

Banks never work against their own good. Every year they introduce new ways to increase their profits, that is why better to study the market and compare services that have been offered on the Internet space.

The cheapest way to send money internationally

Online independent services that propose fast and cheap money transfer services come onto the scene here. They understand the current market realities and offer extremely convenient features. Such online transfers may be used for such purposes as:

1. Repaying loans;
2. Making remittances to support a family in the home country;
3. Buying different products in online stores.
4. Making local currency available to yourself while overseas

Using online money transfers you can send currency as mobile credit, cash, and a bank deposit. This is a very wide range of services.

The advantages of Online money Transfers

Online money transfer services have such strengths as:

- Better exchange rate. To increase the number of customers, such services make the exchange rate more acceptable. Thus, sending money abroad is much more profitable;
- Smaller fees (or none at all). The commission varies greatly, depending on the destination of the transfer, but still compares favorably with the appetite of banks;
- Money transfer can be done 24\7. This feature strongly distinguishes online money transfers from other remittance services;
- There is always access to a virtual assistant or frequently asked questions — you can quickly solve any problem;
- Online access to services from any device. It's quite convenient because you can send money abroad just using a phone, no need to visit an agent;

- Money can be sent in 3-5 minutes to bank accounts or for cash pick-up from hundreds of agent locations;
- Great security: two-factor authentication and multiple layers of data encryption. Money will definitely reach the recipient. For example, mail workers can lose mailed checks, especially when they are sent internationally;
- Availability to track the progress of payments. Full transparency is one of the greatest guarantees online money transfers can give.

Comparing of banks and online transfers

Let's try to understand more specifically - what is the difference between banks and online money transfers?

	Fees	Hidden fees	Exchange rates	Payment Methods	Countries and currencies	Transfer speeds
Banks	\$20 to \$60 or more (depends on where a recipient lives)	Yes. Incoming international transfer fees on the recipient side.	4-6% above the mid-market	Bank account	Depends on your bank	2 – 5 business days
Online money transfers	None or much less	None	Usually close to the mid-market	Cash, credit cards, debit cards, bank account	Global. Almost any place in the world	Instant – 4 business days

As the table shows, online money transfer services win at every point. Let's try to figure out an example: suppose a person wants to send money from Germany, where he works, to his family in India. Firstly, he will have to look for a bank that will send money there without a huge commission and with an acceptable exchange rate. Then he will have to find a lot of information: recipient's bank account, routing numbers, etc. After that he can only hope that the family will receive money at least 5 days later. In the end, an even smaller amount of money will come to India - no one has canceled hidden payments. Also, the family must have the same financial institution to cash out. It definitely doesn't look like a convenient service.

And what about the other transfer methods?

Let's look at a few more ways to send money abroad:

1. Cash-to-Cash Transfer. This method is quite risky. If the money is lost or even stolen, there's no chance to get it back.

2. Credit-to-Credit or Debit-to-Debit Transfer. Choosing this method one should remember about the high fees that card companies charge for international transfers.
3. Prepaid Debit Card. Like the above method, this one will cost a lot. And not all prepaid debit cards can be used internationally.

As you can see, online money transfer services are the only decent choice when it comes to transferring abroad.

What you need to know before sending money online?

Before sending money abroad you should answer the following questions to simplify the procedure of transfer:

- What is the origin country? From where will the transfer be assigned? Is the origin country supported by service
- What is the destination country? The same question — can the service deliver money there? Look at the list of supported recipients;
- How urgently should the money reach the point of destination? Most of the online transfers can make a quick money delivery, but charge a certain fee for it. If you are not in a hurry, then you are able to save 1-3% of the total amount of currency;
- Are you ready for a security verification? It is a common procedure that lowers your risks and protects money from scammers.

Who can use online money transfers?

There are two types of clients which can use functions offered by online transfers:

1. Individuals. Sending money is possible from any place 24\7 to almost any country: China, USA, India, Vietnam, Germany, Turkey, etc. Easy and fast verification and technical support will facilitate the use of the service. There's no need to go to a telegraph station, money wiring office, or a bank. An important point: the recipient in another country will not have to pay hidden fees when receiving funds. Also, he does not have to wait long - the money will arrive as quickly as possible.
2. Business companies. Money can be delivered as often as possible, and there is no need in re-entering the recipient's information every time — it is saved in the history. All of it simplifies the business management and saves a lot of time.

How to send money overseas using online money transfer

To send cash to the destination point is quite simple. Here are the exact steps:

1. Choose the device you are going to send money from. It can be the website, the mobile phone or the app — all of them are usually supported and have the same functions;

2. Sign up in the service. It is absolutely free and might be done with an email address (or a Google account);
3. Verify your identity. An SMS with a verification code will come to your phone. Also, the service requires to upload a scan of a passport. This helps to keep your money safe (and fight scammers).
4. Collect your recipient's banking information email address. If the recipient has been using the service for some time and you've already transferred cash at least one time, then site automatically add the recipient to the quick access list;
5. Enter the amount you want to transfer. At this stage the service indicates the possible commission and time of delivery. To fund your transfer you can use a credit card, a linked bank account, or a debit card.

That's all. Now just track your transfer in the account, and wait for the recipient to get money.

Tips

1. When you transfer money internationally, make sure that your provider is regulated by the financial supervisory structures in both the country of origin and the destination country. Double-checking that your provider is regulated will ensure your money can be recovered if it's lost.
2. Remember that your funding method strongly affects how fast the money moves and what amount of fees must be paid. Credit cards are generally the most expensive option.

Thus, thanks to the development of technology, banks no longer have a monopoly on money transfers abroad. They had to share the market with modern electronic money transfer systems and such old players as Western Union and Telegraph. It's hard to downplay their merits: speed, reliability, lack of high commissions, these are the qualities that attract a huge number of new users every year.