

# SPREAD THE RISK

ALMOST TWO THIRDS of British expatriates say British banks are better than those on offer where they live, according to a recent survey by Lloyds TSB International.

Ninety per cent of those questioned had lived abroad for more than five years but more than half of them had a UK current account - with 80 per cent still holding some of their money in sterling. Only three per cent of those surveyed said that a weak pound might make them return to live in the UK.

Jakob Pfaudler, Managing Director of Lloyds TSB International, said: "It's good to see confidence in the British banking system is returning. Britain's economy is showing continued signs of progress, with consumer confidence returning and businesses beginning to invest again. At the same time, the British banking system has returned to profitability, which will enable it to support and underpin the economic recovery.



"It's also reassuring to see that so many British expats are confident in the future of sterling which, after depreciating over the past few years, has stabilised as the economic recovery has taken hold and measures to improve the public finances have been laid out. In part their behaviour has been a reflection on what has occurred in the wider financial markets, with the flight from more indebted economies."

The survey of British expats living in France, Hong Kong, South Africa, Spain, UAE and the USA showed that confidence in sterling is high in comparison with other currencies, with four times as many respondents believing that sterling is stronger than the euro for their savings.

But many expats are now choosing to diversify their savings strategy by saving in multiple currencies. Until recently this could be complex, with savers forced to hold several bank accounts in different currencies. Holding separate accounts could increase your bank charges and each account could require minimum account balances and maintenance charges.

Nowadays, multi-currency accounts offer a combination of foreign currency accounts under one account number which give

customers all the benefits of foreign exchange flexibility as with multiple currency accounts, but far easier to manage.

## CONVENIENCE

Francesca McDonagh, Head of Personal Financial Services for HSBC in Hong Kong says, "The convenience of a multi-currency account is by far the most popular reason to opt for this type of service. A multi-currency account enables a customer to view all transaction details in one monthly statement."

Instead of operating several different account numbers and logins, customers are able to manage their account on one convenient screen.

## PERSONALISED SERVICE

She adds, "Opening a multi-currency account with HSBC is easy. In fact, customers follow the same procedures as opening a normal deposit account. When opening a multi-currency account, customers need to ensure their bank offers the best set of services to suit their individual needs. We advise people to look at the account features, paying particular attention to interest rates and account accessibility - different ways in which a customer can access their account - ATM, online or telephone banking. We also advise customers to check their multi-currency accounts on a regular basis so they can see the effects of interest rates on their currencies."

Several British banks also offer multi-currency accounts where customers can withdraw money from certain foreign currency accounts by ATM.

## RISK

Lloyds TSB International advises expats to limit their exposure to bank charges and currency fluctuations by opening multi-currency accounts. Expats that do not bank in the local currency may be charged whenever they use a debit card, make a payment or transfer money to someone who banks in the local currency.

"Many British émigrés making transfers have experienced significant reductions in buying power, as sterling's value continues to negatively fluctuate," says Caroline Rose, Product Manager at Lloyds TSB International. "However some have managed to lessen the impact of fluctuations by simply opening a variety of different currency accounts and saving money by banking in the local currency.

"By spreading their savings across different currency accounts, expats can mitigate their exposure to the vagaries of the money markets, choosing which currency will deliver the best value at any given moment. This is something that our international client base has been increasingly concerned about as the value of sterling continues to fluctuate."

### For further information visit

HSBC Bank International  
Tel: 852 2822 3225  
[www.offshore.hsbc.com](http://www.offshore.hsbc.com)

Lloyds TSB International  
Tel: 852 2847 3188  
[www.lloydstsb.com.hk](http://www.lloydstsb.com.hk)