



Holiday Money Report 2023

Post Office Travel Money

A review of currency sales and
rate trends and a look forward
to holiday costs in 2023



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Demand for holidays abroad is close to pre-pandemic levels according to tour operators, travel agents and airlines who have reported a roller coaster wave of early bookings¹. However, if bookings are surging, it appears that the cost of a holiday is also rising, often at levels above inflation.

Higher package prices and increased resort costs together with cost of living pressures mean that the big question for Britons who want to travel abroad but beat the squeeze on their holiday spending will be how to avoid busting their budget.

The 17th annual Post Office *Holiday Money Report* considers how they might do that. It features new consumer research revealing that Britons are prepared to forgo other lifestyle expenditure to afford a holiday abroad (page 4) and many will dip into their savings (page 9) to fund the trip².

Sales of holiday currencies – the Post Office accounts for one-in-four foreign exchange transactions – provide a good indication of where Britons will travel this year. Supporting the reports of a holiday bookings boom, Post Office sales have risen year-on-year in the first two months of 2023 in 18 of its top 20 bestsellers led by the Euro and US dollar (page 2). Stand-out stars include currencies for New Zealand and Japan, which re-opened to overseas visitors in the second half of 2022, but there are also clear signs that South Africa will be a popular choice.

EGYPT: The collapse of the Egyptian pound will make trips to the country's historic sights and Red Sea beach resorts very affordable. The Grand Egyptian Museum, opening later this year, is a great reason to visit. Online travel agent Travel Republic reports a 72 per cent year-on-year rise in family bookings this year.



JAPAN: Pent-up demand for travel to Japan is clear as yen sales are 84 per cent higher in January and February than in the period immediately before the 2020 Covid-19 lockdown. Tokyo has returned to the Worldwide barometer top 10 on the back of a two per cent price fall for meals and drinks.



Despite sterling falls against many currencies, the Post Office Exchange Rate Monitor (page 3) reveals that the South African rand is one of a clutch of currencies that have plummeted in value against the pound. Other destinations where holidaymakers will gain more currency for their pounds include Egypt and Turkey.

The sterling falls and inflation abroad do mean that prices have risen in most countries but the *Worldwide Holiday Costs Barometer* (pages 5-8) shows that there are bargains to be struck. The good news is that six of this year's 10 best value destinations have seen a reduction in the cost of the Post Office barometer basket. Cape Town tops the chart and prices there are down 8.4 per cent on spring 2022 levels.

Taking all these factors into account, Post Office Travel Money is naming four destinations – Egypt, Japan, New Zealand and South Africa – as its Holiday Hotspots this year.

Currencies making waves this year

Echoing the positive comments made about overseas holidays by the travel industry, Post Office Travel Money reports increased sales for its bestselling currencies in January and February.

Nine of the Post Office's top 10 currencies have seen a healthy rise in sales, with year-on-year gains of 45 per cent and 23 per cent respectively for its top two currencies, the Euro and US dollar. Strong sales of the US dollar show that holidaymakers are still keen to cross the Atlantic despite sterling's weakness. The only currency to suffer a reversal of fortunes has been the Swiss franc, albeit with just a one per cent drop in sales.

Old favourites, open again to overseas visitors after lockdown, have shown the biggest growth. Pent-up demand for trips down under to Australia has resulted in a 225 per cent rise in sales of the country's dollar, third in the table, during January and February, indicating that family and friends as well as tourists are keen to return to the country. The rise began early last year once Australia opened its borders and shows no signs of abating.

The same applies to Thailand where the Thai baht has moved up to fifth place in the bestsellers chart on the back of a 365 per cent growth in sales during January and February. A surge in sterling's value against the South Africa rand, seventh in the top 10, may also signal a return to popularity for South Africa. Post Office sales are up 95 per cent on the same period a year ago.

Two currencies have broken back into the top 10 in spectacular fashion. After being barred to overseas visitors until six months ago, the New Zealand dollar has put on a sales growth of 2,134 per cent, taking it to fourth place in the table. Sales of the Japanese yen, in 10th place, have increased by 8,040 per cent in the year to date and are 84 per cent higher than in the period immediately prior to the Covid-19 outbreak.

NEW ZEALAND: Holidaymakers have been quick to return to New Zealand. Currency sales have mushroomed by over 8,000 per cent compared with the early months of 2022, while sterling is rising in value against the New Zealand dollar and worth 3.6 per cent more year-on-year.



Ed Dutton, Portfolio Director, Financial Services at Post Office comments: **"There is no doubting the strong appetite in trips to New Zealand and Japan. We have seen a significant rise in demand for both their currencies since they reopened to overseas visitors in the second half of 2022. Sales are accelerating and, with the recent growth trend, we fully expect the New Zealand dollar and Japanese yen to remain among our bestsellers in the months to come."**

Figure 1 Post Office Bestselling Currencies January-February 2023

January-February 2022 position in brackets

SOUTH AFRICA: Sterling is 15.7 per cent stronger against the South African rand than 12 months ago and prices in Cape Town are the lowest across the 40 destinations featured in this year's Post Office barometer of costs. Little wonder then that Post Office currency sales – a clear indicator of holiday intent – have surged by 95 per cent year-on-year.



		Percentage +/- year-on-year
1	■ Euro (1)	+45%
2	■ US dollar (2)	+23%
3	■ Australian dollar (3)	+225%
4	◆ New Zealand dollar (-)	+2,134%
5	▲ Thai baht (8)	+365%
6	▼ UAE dirham (4)	+10%
7	▼ South African rand (6)	+95%
8	▼ Canadian dollar (7)	+81%
9	▼ Swiss franc (5)	-1%
10	◆ Japanese yen (-)	+8,040%

Exchange Rate Monitor

Sterling's volatility will, undoubtedly, have an impact on prices overseas this year. However, while the pound has fallen in value against two-thirds of Post Office Travel Money's top 30 bestselling currencies, it is surging against others – notably the Egyptian pound, Turkish lira and South African rand.

The collapse of the Egyptian pound means visitors to Red Sea resorts like Sharm el-Sheikh will get 53.4 per cent more cash to spend – the equivalent of over £174 more on a £500 exchange into Egyptian currency compared with last March. It is hardly surprising, therefore, that Sharm features among the 10 best value destinations in the Post Office Worldwide Holiday Costs Barometer (page 5).

The Turkish lira continues to tumble in value and is worth 19.2 per cent less year-on-year against sterling, giving UK visitors an extra £80 in lira on a £500 transaction. To put this into perspective, the lira's long-term fall against sterling means it is now worth less than one-seventh of its value a decade ago.

Sterling has been gaining ground against the South African rand in recent months and is now worth 15.7 per cent more than last March. Holidaymakers visiting South Africa can expect to receive nearly £68 more in rand on a £500 currency transaction.

These three currencies are among 10 of Post Office's 30 bestsellers to fall against sterling. Others include three Nordic currencies – the Norwegian krone, down 13.5 per cent against the pound, the Swedish Kronor (-2.9 per cent) and Icelandic krona (-1.2 per cent). UK visitors can also expect a little more for their pounds when travelling down under. The New Zealand dollar has fallen 3.6 per cent against sterling year-on-year, while the Australian dollar is down three per cent.

Aside from the Nordics, most European currencies have gained ground on sterling since last March. Holidaymakers visiting the Eurozone can expect around £26 (4.9 per cent) less to spend on a £500 currency purchase. The biggest European fall of 8.5 per cent has been against the Swiss franc, which means visitors changing £500 into francs will get over £46 less to spend on a trip to the Alps.

Sterling's well-documented fall against the US dollar means holidaymakers will not only get almost 8.6 per cent less cash for their pounds on a trip Stateside but those visiting Caribbean destinations and Middle Eastern ones like Dubai will also get less to spend because their currencies are pegged to the dollar. This may account for a slowdown in Caribbean currency sales after two years of significant growth.

Figure 2 Sterling's biggest gains and losses

March 2023 compared with March 2022

	% gain/loss year-on-year	£500 buys £ more/less
Egyptian pound	53.4%	£174.08
Turkish lira	19.2%	£80.58
South African rand	15.7%	£67.79
Norwegian krone	13.5%	£59.33
New Zealand dollar	3.6%	£17.45
Kenyan shilling	3.1%	£15.06
Australian dollar	3.0%	£14.62
Swedish kronor	2.9%	£14.14
Japanese yen	1.9%	£9.28
Icelandic krona	1.2%	£5.79
Euro	-4.9%	-£25.93
Czech koruna	-7.6%	-£41.27
Swiss franc	-8.5%	-£46.23
Barbados dollar	-8.5%	-£46.74
US dollar	-8.6%	-£46.76
UAE dirham	-8.6%	-£46.76
East Caribbean dollar	-8.9%	-£48.76
Singapore dollar	-9.1%	-£49.84
Jamaican dollar	-9.1%	-£50.32
Mexican peso	-13.5%	-£78.10
Costa Rican colon	-23.7%	-£155.57

The biggest sterling falls have been against currencies for two Latin American holiday favourites. The pound has slumped 13.5 per cent against the Mexican peso, giving £78 less on a £500 currency transaction, while the Costa Rican colon has surged by 23.7 per cent so visitors will receive over £155 less when they buy £500 worth of Costa Rican currency.

Post Office Travel Money's Ed Dutton said: **"It will pay to be flexible when deciding on a holiday destination. The Egyptian pound and South African rand have been losing ground against sterling recently, while Latin American currencies like the Mexican peso and Costa Rican colon have been surging in value. Sterling is also continuing to rise and fall against the euro with no obvious sign of settling into a steady pattern. We advise holidaymakers to watch daily exchange rate movements before booking and buy their holiday cash when they see sterling move up against the currency for their chosen destination."**



Strong desire for holidays abroad

Consumer research conducted by Post Office partner First Rate Exchange Services backs up the reported boom in holiday sales during early 2023.

Despite the growing cost of living pressures, millions of Britons regard holidays as an important part of their lifestyle and they will prioritise trips away over almost all else in 2023. Furthermore, only 27 per cent of those surveyed expect to cut back on holiday spending this year.

However, the research findings also reflect the difficulty many households expect to face in making their holiday plans a reality. This is especially the case for families who are most likely to have to make financial sacrifices elsewhere to ensure they can go away.

63 per cent of people – rising to almost three-quarters of families – say they will have to start saving earlier to afford an overseas holiday. Almost as many, 57 per cent overall and more than two-thirds of families, will make cuts elsewhere in their spending in order to afford a trip abroad.

Despite this, over half (52 per cent) of holidaymakers regard holidays abroad as their most important priority after food, energy and other essential bills, and more important than spending on a car or home improvements. In fact, over a third (35 per cent) are planning to delay big investments like this to fund their holiday.

Demand for holidays abroad brings bookings close to pre-pandemic levels

43 per cent of those surveyed, rising to half of families, plan to travel abroad because 'it's cheaper than holidays in the UK'. Spain is regarded as the best value destination by 55 per cent of people, with Greece (24 per cent) and Turkey (23 per cent) also scoring well. All Inclusive holidays are seen as one way to rein in costs, particularly for families. 55 per cent of those with young children will take an all inclusive trip to control holiday costs.

Leading online travel agent Travel Republic, which has provided local destination prices for the Worldwide Holiday Costs Barometer for the first time, confirms that it has seen a marked increase in all inclusive holiday booking this year as part of a wider growth in demand overall.

Figure 3 Desire for holidays remains strong

Attitudes to holiday costs and funding

63%	I will need to start saving earlier next year to be able to afford any overseas holidays
57%	I will make cuts elsewhere in my spending to make sure I can afford at least one overseas holiday next year
52%	After food, energy and other essential bills, overseas holidays are my next most important priority
52%	Taking an overseas holiday next year is more important to me than big spend items like car, home improvements etc
43%	Overseas holidays are a luxury item which I will need to cut back on next year
43%	I will go abroad because it's cheaper than holidays in the UK
42%	I will take fewer overseas holidays than before
42%	I will go on all inclusive holidays next year to control holiday costs
37%	I don't think the cost-of-living crisis will have any impact on my overseas holiday plans for next year
35%	I am planning to delay big investment this year (e.g car, home improvement) to fund my holiday

Antonio Fellino, Managing Director, Travel Republic, said: **"The demand for holidays has been steadily growing over the last 12 months to a point where we are now back at pre-pandemic levels. While the cost of living continues to be a key factor in how much consumers are willing to spend, it's clear that Britons are reluctant to give up their holidays. Instead, they're considering their options more carefully and really looking hard at how they get great value from the package they book and the destination they're travelling to. So it's not surprising to see places like Egypt and Turkey seeing a significant increase in popularity this year because of the all-round amazing value they offer."**

Turkey, Bodrum



Best destinations for bargain hunters

At first sight, it looks as though there is no escaping the unwelcome prospect of soaring prices in most holiday destinations this year as the weak pound, rampant inflation and escalating costs for those who make their living from tourism abroad combine to make a heavy dent in the holiday budget. However, the wide price variations revealed by the Post Office Worldwide Holiday Costs Barometer show that it is still possible to strike a bargain if holidaymakers do their homework and are prepared to swap their first-choice destination for one where prices have fallen or are only marginally higher than a year ago.

While it is true that the barometer reveals price rises for meals, drinks and other tourist staples in 80 per cent of resorts and cities – as high as 80 per cent in Costa Rica and 60 per cent in Mauritius, there are pockets of sunshine. This is especially the case in destinations where a surge in sterling's value will help the holiday purse stretch further. For example, six of the 10 destinations offering best value to UK visitors have seen a fall in barometer costs.

Boosted by a fall in the value of the South African rand and keen pricing in restaurants and bars, Cape Town emerges as best value in the survey of 40 destinations, up from fourth place a year ago. At £51 for the barometer basket, prices are down 8.4 per cent. Resort costs have also fallen by 3.4 per cent to around £59 in Mombasa, Kenya, up to fourth from seventh last year.

A collapse in the value of its rupee due to last year's political unrest has helped Sri Lanka (£73) jump seven places up to ninth position with a 2.2 per cent fall in prices. The Red Sea resort of Sharm el-Sheikh has also made the best value top 10 on the back of the dramatic fall of the Egyptian pound in recent months. In 10th place with a barometer cost of £73, Sharm is likely to benefit from a resurgence in demand after years when flights to the region were suspended.

Three Far Eastern destinations have returned to the top 10 after being off-limits to overseas visitors until recently. At £60 for the barometer basket, Hoi An, Vietnam is highest placed in sixth position. Bali (Kuta) and Japan (Tokyo) are in seventh and eighth place. Prices have dropped by two per cent to £71 in Tokyo and by 1.8 per cent to £68 in Kuta.



Others to register price falls are Auckland, New Zealand (£129, 31st), where prices have dropped 2.1 per cent year-on-year and Mahé in the Seychelles (39th), where costs are down 17.6 per cent to £192. Mahé and Reykjavik, Iceland (40th, £198) recorded the survey's highest prices.

Three European destinations complete the best value top 10. Despite further falls in the value of the Turkish lira, Marmaris has dropped from the top spot to runner-up in this year's barometer. Prices have more than doubled since last year to just below £58 because of inflationary pressures and a 55 per cent rise in the minimum wage required in bars and restaurants. In third place Sunny Beach, Bulgaria is only 71p more expensive than Marmaris but here too prices have risen steeply by 20 per cent.

Portugal's Algarve is again the cheapest Eurozone destination of nine surveyed in fifth place but prices have risen by a third to £60. This percentage price rise is in line with increases in Spain's Costa del Sol (11th, £74), Paphos, Cyprus (12th, £78), Funchal, Madeira (14th, £85) and Sliema, Malta (20th, £91), which have all dropped out of the leading 10 destinations. However, increasing costs are less of an issue in Corfu. The Greek resort has risen five places in the table to 13th with a small 4.2 per cent barometer price rise to £81.

Post Office Travel Money's Ed Dutton said: **"Despite the volatility of sterling, it is still possible to bag a bargain with careful planning. Check exchange rate movements and the cost of holiday essentials before booking to see where you might get more holiday cash for your pounds but be aware that sterling gains can be cancelled out by big resort price rises as the increase in Turkey proves."**

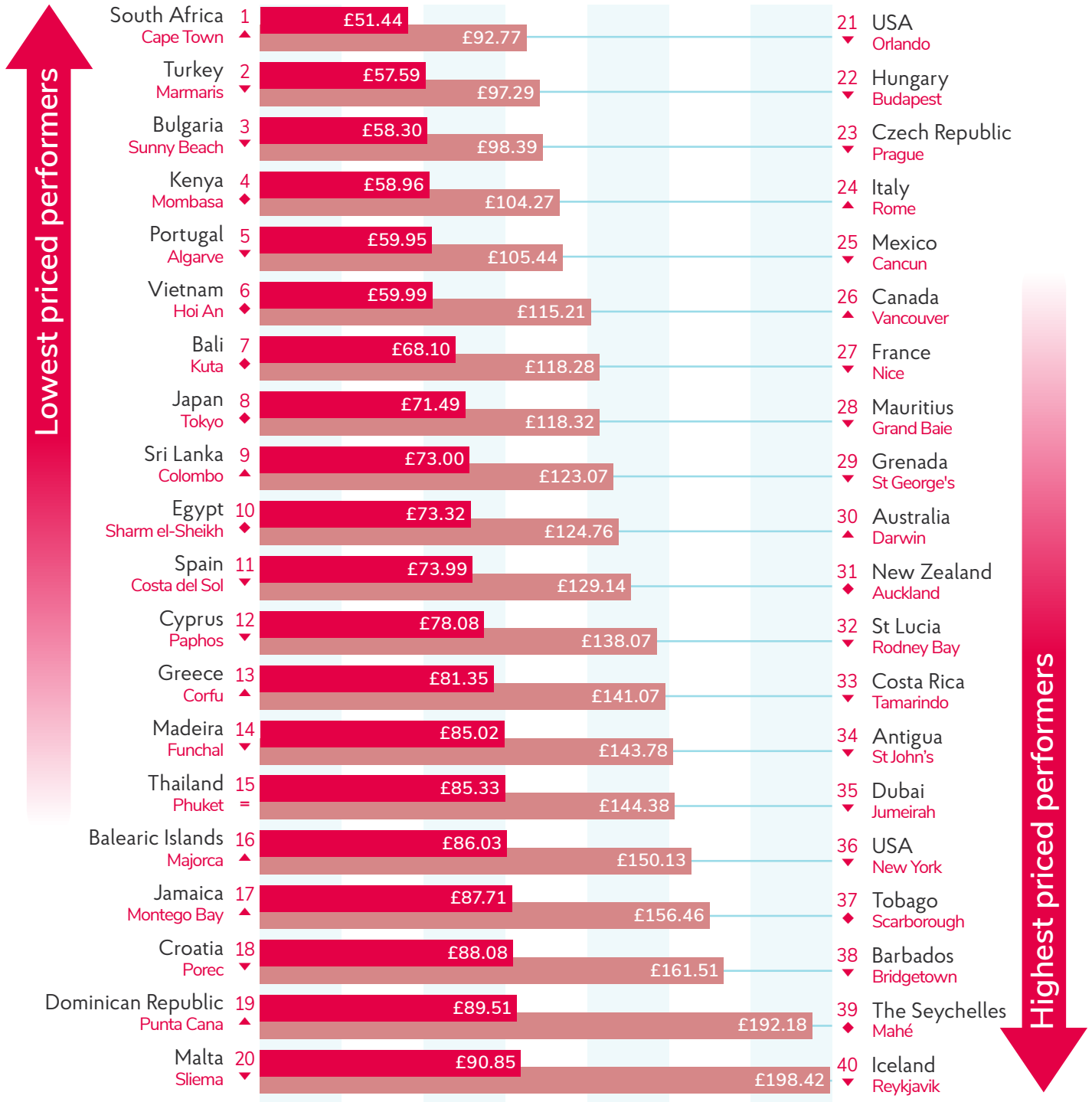
Figure 4 Cheapest and most expensive destinations for selected items:

	Cheapest		Most expensive	
Coffee	Algarve, Portugal	81p	Mahé, Seychelles	£4.55
Beer	Cape Town, South Africa	£1.62	Jumeirah Beach, Dubai	£8.99
Cola	Sharm el-Sheikh, Egypt	93p	Mahé, Seychelles	£3.85
Wine	Algarve, Portugal	£1.81	New York, USA	£11.41
Water	Marmaris, Turkey	15p	Rodney Bay, St Lucia	£4.95
Suncream	Tokyo, Japan	£4.34	Tamarindo, Costa Rica	£21.84
Insect repellent	Kuta, Bali	64p	Reykjavik, Iceland	£17.16
Three-course meal	Cape Town, South Africa	£35.80	Reykjavik, Iceland	£135.87

Worldwide Holiday Costs Barometer

Figure 5: Post Office Travel Money Worldwide Holiday Costs Barometer

Survey of eight tourist items, including drinks and meals



Data relates to exchange rates on 16 March 2023 ▴ ▾ Arrows denote price rises or falls compared with last year ◇ New entry

40 destinations were surveyed for the Post Office Worldwide Holiday Costs Barometer, compiled with the help of leading holiday company Travel Republic as well as national and local tourist boards (Marmaris info for Marmaris, Turkey). Eight items – a three-course meal for two with wine, cup of coffee, bottle of local beer, can of cola, glass of wine, bottle of still water, suncream and insect repellent – were selected as representative of the purchases UK tourists are likely to make and prices were cross-checked by Post Office researchers.

For a full breakdown of costs, go to www.postoffice.co.uk/holidaymoneyreport

Resort costs in detail

Figure 6 Price breakdown by country and resort area

	1	2	3	4	5	6	7	8	9	10
	SOUTH AFRICA Cape Town	TURKEY Marmaris	BULGARIA Sunny Beach	KENYA Mombasa	PORTUGAL Algarve	VIETNAM Hoi An	BALI Kuta	JAPAN Tokyo	SRI LANKA Colombo	EGYPT Sharm el-Sheikh
Cup of filter coffee Café/bar	£1.42	£1.45	£0.96	£2.36	£0.81	£1.61	£2.08	£2.30	£1.55	£1.25
Bottle of local beer/lager (330ml) Café/bar	£1.61	£2.84	£1.91	£2.09	£2.26	£1.73	£2.08	£4.27	£1.80	£2.96
Bottle/can of Coca-Cola/Pepsi (330ml) Café/bar	£1.09	£1.45	£1.20	£1.15	£1.63	£1.41	£1.39	£1.97	£1.55	£0.93
Glass of wine (175ml) Café/bar	£3.07	£3.74	£3.11	£3.48	£1.81	£4.22	£4.87	£4.27	£4.64	£3.42
1.5l bottle of mineral water Supermarket	£0.66	£0.15	£0.65	£0.49	£0.59	£0.50	£0.36	£0.66	£0.57	£0.31
Suncream (200ml SPF15) Supermarket	£5.43	£6.48	£9.57	£8.34	£7.23	£4.42	£11.87	£4.34	£5.67	£10.90
Insect repellent (50ml) Supermarket	£2.36	£1.09	£4.78	£0.72	£6.32	£1.61	£0.64	£3.61	£2.32	£7.16
3 course evening meal for 2 (including bottle of house wine)	£35.80	£40.39	£36.12	£40.33	£39.30	£44.49	£44.81	£50.07	£54.90	£46.39
TOTAL COST	£51.44	£57.59	£58.30	£58.96	£59.95	£59.99	£68.10	£71.49	£73.00	£73.32

	11	12	13	14	15	16	17	18	19	20
	SPAIN Costa del Sol	CYPRUS Paphos	GREECE Corfu	MADEIRA Funchal	THAILAND Phuket	BALEARIC ISLANDS Majorca	JAMAICA Montego Bay	CROATIA Porec	DOMINICAN REPUBLIC Punta Cana	MALTA Sliema
Cup of filter coffee Café/bar	£1.45	£2.62	£2.26	£1.58	£2.30	£2.12	£3.11	£1.40	£1.35	£2.48
Bottle of local beer/lager (330ml) Café/bar	£1.99	£2.89	£3.16	£2.26	£2.81	£3.16	£3.02	£3.25	£4.28	£2.94
Bottle/can of Coca-Cola/Pepsi (330ml) Café/bar	£2.62	£2.26	£2.26	£2.03	£1.41	£2.71	£1.69	£3.13	£2.22	£2.08
Glass of wine (175ml) Café/bar	£2.35	£4.14	£3.61	£4.07	£6.40	£3.57	£4.50	£3.79	£7.48	£4.97
1.5l bottle of mineral water Supermarket	£0.53	£0.33	£0.45	£0.54	£0.51	£0.34	£0.86	£0.80	£1.64	£0.61
Suncream (200ml SPF15) Supermarket	£12.65	£7.45	£13.81	£9.94	£8.96	£11.52	£7.11	£7.77	£6.58	£13.10
Insect repellent (50ml) Supermarket	£2.48	£3.50	£5.65	£6.32	£1.66	£6.32	£4.95	£5.42	£2.96	£4.51
3 course evening meal for 2 (including bottle of house wine)	£49.92	£54.89	£50.15	£58.28	£61.28	£56.29	£62.47	£62.52	£63.00	£60.16
TOTAL COST	£73.99	£78.08	£81.35	£85.02	£85.33	£86.03	£87.71	£88.08	£89.51	£90.85

... Resort costs in detail

Figure 6 (continued)

	21	22	23	24	25	26	27	28	29	30
	USA Orlando	HUNGARY Budapest	CZECH REP Prague	ITALY Rome	MEXICO Cancun	CANADA Vancouver	FRANCE Nice	MAURITIUS Grand Baie	GRENADA St George's	AUSTRALIA Darwin
Cup of filter coffee Café/bar	£2.33	£2.04	£2.32	£1.36	£2.33	£2.51	£1.72	£2.96	£1.66	£2.86
Bottle of local beer/lager (330ml) Café/bar	£4.26	£2.64	£2.72	£4.29	£3.26	£4.45	£5.78	£4.11	£1.66	£5.15
Bottle/can of Coca-Cola/Pepsi (330ml) Café/bar	£2.72	£2.14	£2.32	£1.81	£2.37	£2.07	£3.79	£2.49	£1.66	£2.58
Glass of wine (175ml) Café/bar	£5.11	£3.84	£5.12	£4.29	£6.75	£5.95	£4.52	£7.26	£4.80	£5.15
1.5l bottle of mineral water Supermarket	£2.26	£0.42	£0.55	£0.81	£0.70	£1.57	£0.36	£0.57	£1.33	£1.43
Suncream (200ml SPF15) Supermarket	£6.81	£10.79	£9.80	£16.26	£10.93	£9.09	£11.75	£15.29	£8.45	£9.16
Insect repellent (50ml) Supermarket	£4.26	£4.07	£5.08	£8.13	£5.12	£4.64	£4.52	£4.78	£5.13	£5.15
3 course evening meal for 2 (including bottle of house wine)	£65.02	£71.35	£70.48	£67.32	£73.98	£84.93	£85.84	£80.86	£98.38	£93.28
TOTAL COST	£92.77	£97.29	£98.39	£104.27	£105.44	£115.21	£118.28	£118.32	£123.07	£124.76

	31	32	33	34	35	36	37	38	39	40
	NEW ZEALAND Auckland	ST LUCIA Rodney Bay	COSTA RICA Tamarindo	ANTIGUA St John's	DUBAI Jumeirah	USA New York	TOBAGO Scarborough	BARBADOS Bridgetown	SEYCHELLES Mahé	ICELAND Reykjavik
Cup of filter coffee Café/bar	£2.66	£2.15	£2.36	£2.65	£4.02	£3.53	£2.22	£3.17	£4.55	£3.59
Bottle of local beer/lager (330ml) Café/bar	£6.29	£2.32	£3.44	£2.32	£8.99	£7.45	£2.09	£4.01	£7.20	£8.51
Bottle/can of Coca-Cola/Pepsi (330ml) Café/bar	£2.66	£1.24	£2.15	£1.99	£4.02	£3.83	£1.35	£1.67	£3.85	£2.65
Glass of wine (175ml) Café/bar	£7.73	£5.13	£7.74	£4.31	£10.41	£11.41	£5.38	£6.69	£7.69	£8.83
1.5l bottle of mineral water Supermarket	£0.80	£4.95	£2.41	£1.66	£0.50	£2.56	£2.02	£1.91	£3.85	£1.39
Suncream (200ml SPF15) Supermarket	£8.53	£12.72	£21.84	£16.56	£13.01	£10.21	£10.76	£13.83	£20.98	£20.42
Insect repellent (50ml) Supermarket	£5.60	£7.21	£9.46	£9.94	£6.69	£4.68	£4.84	£11.60	£13.99	£17.16
3 course evening meal for 2 (including bottle of house wine)	£94.87	£102.35	£91.67	£104.35	£96.74	£106.46	£127.80	£118.63	£130.07	£135.87
TOTAL COST	£129.14	£138.07	£141.07	£143.78	£144.38	£150.13	£156.46	£161.51	£192.18	£198.42

Funding the trip abroad

Whether it is for a trip down under to Australia, a family summer holiday in Spain or a romantic weekend break in Venice, the big question facing holidaymakers will be how to fund it.

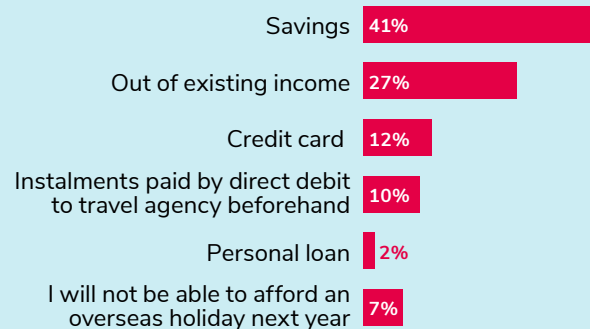
Over a quarter (27 per cent) of those planning trips abroad expect to be able to fund their holiday out of their existing income but a larger number (41 per cent) will need to dip into their savings. Relatively few (10 per cent) will opt to pay their travel agent in instalments before taking their holiday and only two per cent would consider taking out a loan to fund the trip.

Consumer research featured in the *Holiday Money Report* reveals that almost three-quarters (73 per cent) of holidaymakers will either spend the same as they did last year or pay more. Over a third (35 per cent) will be budgeting more for their break away – although there are variations across the age groups. The numbers budgeting more drops to 31 per cent for families with young children and rises to 42 per cent for older empty nesters, with fewer financial pressures.

More than four-in-five (81 per cent) will take cash with them in local currency – over one-in-five relying exclusively on cash. Most will combine cash with a credit, debit or pre-paid card to ensure they have enough money to cover their spending costs. Cash remains the popular choice because holidaymakers think it is easy to use (40 per cent) and convenient (37 per cent).

Over four-in-five (82 per cent) think that carrying some cash is essential on an overseas holiday because of worries that a card might not be accepted. Over 53 per cent use cash primarily as a budgeting tool when on holiday, while almost one-in-five (19 per cent) would prefer to have a separate payment card exclusively for holiday spending abroad such as the Post Office Travel Money Card.

Figure 7: How will holidaymakers fund their break



Where will consumers be holidaying in 2023?

The top choice by far is Europe. A third (32 per cent) are planning a holiday to Spain, while 14 per cent will travel to Greece, 13 per cent to Italy, 12 per cent to France and 10 per cent to Portugal but only seven per cent to Turkey.



Spain, Puerto Banus

About Post Office Travel Money



Post Office Travel Money is the UK's largest foreign exchange provider and accounts for one-in-four of all UK currency transactions. As part of its market-leading services, Post Office Travel Money offers news briefings on topical currency-related stories and provides informed comment about currency movements and trends, with intelligence from industry-leading experts.

For the past 17 years it has produced a series of travel and currency reports relating to many types of holidays. These will be available again in 2023 and will include price comparison barometers covering family holidays, city breaks, long haul and ski resort costs.

Post Office Travel Money offers around 60 currencies for pre-order at around 7,000 Post Office branches or online at www.postoffice.co.uk/travel-money for next day branch or home delivery. 3,600 larger Post Office branches stock our leading currencies and around 7,000 offer euros over the counter without pre-order. These can also be ordered online at postoffice.co.uk for same day 'click and collect' at selected branches, for next day collection at any branch or home delivery.

Also available from the Post Office is the multi-currency Travel Money Card, a prepaid Mastercard® card, which is accepted in around 36 million locations worldwide and at over two million ATM locations worldwide. This enables holidaymakers to hold up to 22 currencies on a card and spend in the same way they would use their debit card. The card is Chip & PIN and contactless-enabled and also supports Apple Pay and Google Pay.

Holder of the 'Best Foreign Exchange Provider' award made by the UK public at the prestigious British Travel Awards, the Post Office also provides a range of great value travel services including single trip and annual travel insurance policies, Passport Check & Send and international money transfers.

For more information visit your local Post Office branch, go to www.postoffice.co.uk or call 0345 722 3344.

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Sources:

- 1 Comments made by TUI, Travel Republic, Ryanair and other leading tour operators and travel agents in national media in February 2023.
- 2 Research commissioned by First Rate Exchange Services and conducted by Jigsaw Research among 2,210 regular UK travellers in January 2023.

Photography:

P1: Japan, courtesy of Japan National Tourism Organisation.

P2: Misty Mountains, New Zealand, courtesy of Peter Morath. V&A Waterfront and Table Mountain, courtesy of Cape Town Tourism.

P4: Bodrum, Turkey, courtesy of Go to Turkey.



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