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**MONEY BOX LIVE**

**Presenter: VINCENT DUGGLEBY**

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**DUGGLEBY:** I wonder just how many people planning their summer holidays have been put off going to Greece, Spain and Italy - three of the most popular European destinations - and of course Cyprus, which has now formally asked for help to prop up their banks. No doubt there are worries about what would happen if you had to cancel or you couldn't get hold of money to pay your hotel bill. What if you got caught up in demonstrations, strikes, civil unrest? Would you be covered by insurance? Those who book a package through a member of ABTA, the Association of British Travel Agents, are probably the best protected, and since April changes to the ATOL licensing scheme - that's the Air Travel Organisers - give extra protection to what are called "flight plus" holidays, but not flight only. Being stranded abroad is perhaps the biggest worry, but there are many other financial considerations. I was astonished to read how many people don't bother with insurance, although it has to be said that once you're over 70 it does become more difficult to find a policy even for those in good health. Then there are the raft of extra costs to consider, starting with air passenger duty and other charges before you even board the plane - transaction charges for currency or using a credit card, car hire restrictions, mobile phones where new rules will apply from the weekend to cap the cost of a call from one EU country to another, presumably if you get into difficulties. 03700 100 444 is the number to call. And with me in the studio: Sean Tipton, Spokesman for the Association of British Travel Agents; Stephen Howard, Secretary of the Association of Travel Insurance Intermediaries; and Simon Calder, Travel Editor of the Independent. Good number of calls coming in today, gentlemen, and we're starting with Wendy in

Chichester.

**WENDY:** Hello.

**DUGGLEBY:** Hello Wendy.

**WENDY:** Hello.

**DUGGLEBY:** Your call.

**WENDY:** Yes, we're going to Crete on 10<sup>th</sup> July with my daughter and son-in-law, and I think we actually heard Simon Calder on the media a while back saying that we should take cash with us and that our cards, both debit and credit, may in fact not be acceptable out there. Is that in fact the case and does it still remain the case?

**DUGGLEBY:** The man himself is here.

**CALDER:** And just back, Wendy, from Greece, which I must say was looking absolutely gorgeous. The sun is still shining, the sea is still sparkling. All is good and relaxed, and in fact it's a very, very good time to go on holiday in Greece because softer demand this summer means that there are bargains galore. I just had a look at the top four last minute deals from Gatwick on Thomson and they are all for different parts of Greece, so a very good time to go. What I hope I said was the following. There are two issues at work here. The first one is the Greek predilection for cash. On my trip, for example, which I booked as separate components, the hotel insisted I posted to them 100 euros in cash by registered mail. They like cash there at the moment, particularly in uncertain times. And that is always going to be an issue, particularly if you're not staying in luxury hotels and eating in fancy restaurants. The other part of the equation is that if any country crashes out of the euro system, electronic banking will stop. That means your plastic cards temporarily will be no use at all.

**WENDY:** Right.

**DUGGLEBY:** Yeah, now there's one or two other considerations, Sean. People have asked us well is there a condition in the policies that says we can claim because we don't want to go or because the currency's gone wrong ...

**TIPTON:** Yeah indeed.

**DUGGLEBY:** ... or Greece has left the euro or whatever it is?

**TIPTON:** Well I just want to stress first of all, as Simon was saying, I mean Greece has obviously been in the headlines a lot because of these issues and you know, as Simon was saying, it's probably one of the best times to go. The exchange rate is very favourable. They are in the euro, they've had elections recently showing well basically that it's much more likely they will stay within the euro, so the advice about credit and debit cards was just, as Simon was saying, in case they did drop out and there would be a short period of time when you couldn't use your card. Now if you are unduly worried about this, just bear in mind that there has been a lot of scare stories about Greece, in particular, and the reality on the ground is that it's perfectly safe. There have been stories about them perhaps running out of food. I don't know if anybody listening has been to Greece. It's primarily an agricultural country. That's not terribly likely to happen. What will happen though, if there was any risk to customers' safety, the Foreign Office - and they have done this plenty of times in the past, they do have those kind of concerns - they would say something like we advise against non-essential travel.

**DUGGLEBY:** But that's sort of breakdown of law and order or things like that?

**TIPTON:** Exactly. Now if they were to do that, then of course you would not be sent and your tour operator would allow you to travel to another destination or have a full refund. But that's very unlikely to happen because the country is perfectly safe.

**DUGGLEBY:** Stephen, a brief word from you. Am I right in saying that insurance per se does not cover you against civil unrest or things like that?

**HOWARD:** That's right, yes. It will cover you if you're delayed due to a strike that hasn't been declared prior to you booking the holiday. If you got stuck in an airport because Greek traffic air control went on strike or something, you'd be covered for something under the travel policy. But otherwise it covers you ... If you're injured in civil unrest, you'd be covered under the medical section of the travel policy, but generally when that happens and you're a tourist the state pays your bills anyway for you, so you don't normally have a problem.

**DUGGLEBY:** Okay. Thanks for that call, Wendy. Ben, you've got a call from London.

**BEN:** Yes hello. Basically I'm ringing up with a travel insurance query. What happened was I was due to go on holiday on 2<sup>nd</sup> June to Turkey. I fell ill on 30<sup>th</sup> May. I'd taken out travel insurance through Orbis Travel Insurance, but it only started on the 2<sup>nd</sup> June. I've written to them trying to get my money back, basically claim my insurance, and they've contacted me saying I'm not covered because I fell ill on the 30<sup>th</sup>.

**DUGGLEBY:** Well hang on a minute. Is your policy written in such a way that it only covers you while you're actually abroad? In other words, is it a policy that's specialist for somebody going diving or ... ? Because normally a policy would cover you against not being able to go.

**BEN:** Well that's it exactly. My policy covers me from the 2<sup>nd</sup>. It's not a specialist one as such. Sorry, I think I've misunderstood your question, but ...

**DUGGLEBY:** Well no, no, you're right. I'm just wondering whether for some reason or other this is a policy that only starts on the 2<sup>nd</sup> June.

**BEN:** Well that's when I booked the insurance from, you see. I said it would start on that date.

**DUGGLEBY:** *(over)* Alright. Well look, panel, I'm not sure whether I fully understand what the problem is, but let's try with you, Sean.

**TIPTON:** Ben, I think it's a question really when you took the policy out because insurance becomes valid from the day you buy it regardless of when you're actually travelling because of the fact that if you do fall ill before you travel, then of course you need to be insured from the date you take it out. So if you took it out before you fell ill, then you should be able to claim. So what day did you actually buy it? Maybe that's the problem.

**BEN:** I bought my travel ... I purchased the insurance policy on 24<sup>th</sup> April.

**DUGGLEBY:** Well that's yes when you booked it.

**TIPTON:** I'm surprised then.

**HOWARD:** Well there are policies, Ben, that have different levels of cover. They have what they call late booker travel insurance, for example, which doesn't generally have cancellation cover on it. It's a cheaper product on the basis that people don't expect to have to cancel. They're quite willing to take that risk. Did your policy actually have a cancellation section on it?

**BEN:** I don't know off the top of my head, to be honest.

**HOWARD:** You need to read the wording carefully, Ben. If there is no cancellation ... The only reason your claim on the face of it would not be covered or they're not looking at it is because you don't actually have cancellation cover. You've bought a cheaper travel insurance option that didn't have cancellation included in it.

**DUGGLEBY:** Are you a young man, Ben?

**BEN:** Well I'm 37. Not that young.

**DUGGLEBY:** Well the point is there's no question of your having any history of medical conditions or anything like that, which the insurance company would need to know about? There's nothing like that, I take it?

**BEN:** No, I declared everything upfront.

**DUGGLEBY:** Because that's the only thing I could think of - that there was some pre-existing condition and they turned it down on those grounds. Which they would be entitled to do, wouldn't they?

**HOWARD:** If it was a non-disclosed pre-existing condition. I mean I think you said due to severe flu. So unless you've had a history of breathing problems and the flu exasperated those and you haven't declared them, that could be a problem. But my feeling is that you've possibly bought a policy that actually didn't include cancellation cover.

**DUGGLEBY:** Mind you Ben, just one final point is that you know just because an insurance company turns you down, you know write back, say why have you turned me down? Point to the issue or point to the clause that enables you to do that. Don't just take the fact that well we're not paying because you know you do have rights and you should, if necessary, pursue it through the ... Who would you pursue these complaints through?

**HOWARD:** Well there'll be a complaints procedure outlined in your policy. That's part of the FSA regulations. So initially you will write back to the person you bought the travel insurance from and their claims department, and if you're still dissatisfied you can then carry the claim onto the Financial Ombudsman Service. But you need to go through the insurer first and get all the relevant letters from them.

**DUGGLEBY:** Okay, as you might expect, panel, we've got several emails coming in on Cyprus. So let's start with Chris. He says, 'We're going to Cyprus, self-catering. Usually use a credit card for paying for everything - groceries, restaurants, etcetera. Could it get more difficult and will cash become king?' And then we have Linda who says, 'Can you offer us advice re our concerns about booking a holiday in Cyprus? We are thinking of booking flights and self-catering accommodation separately and then we'll stay local, not hire a car. Any concerns about self-booking for Cyprus or would you recommend us going on a package which might be safer?'

**CALDER:** The great thing about a package holiday, particularly when times are uncertain, is that you will always get looked after by the holiday company. When you buy a package holiday - and this is nothing to do with the ATOL regulations at all - it is simply that the package travel regulations mean that the tour operator is responsible from the moment you turn up at Newcastle or Manchester or Gatwick Airport to the moment you get back.

**DUGGLEBY:** I'll just interrupt you a moment there just to check with Sean, no problem with booking packages to Cyprus if they're available?

**TIPTON:** No, no, no, none at all.

**DUGGLEBY:** You're not sort of saying ...

**TIPTON:** No, no, no.

**DUGGLEBY:** ... putting surcharges on or anything?

**TIPTON:** No, no, quite the reverse. I think the point to say, what people will be worried about is the kind of worst case scenarios - let's say the country fell into total disarray and there was rioting in the streets, which is extremely unlikely to happen. But you know if that's the kind of thing you're worried about, if you are booked on a package, if that meant that you couldn't travel, your tour operator would quite simply

allow you to travel to another destination, just transfer your booking or give you a full refund. The issue is if something does go wrong though, if you have booked separately and for example say you cannot go but the hotel owner takes the view well my hotel's open for business, you haven't turned up, well fine they'll charge you a cancellation fee. So that's the issue. But I think, to be fair, the chances of things getting to that kind of state of affairs in Cyprus is tiny. It's very unlikely.

**DUGGLEBY:** So back to Simon. So then we're not putting them off from doing a self-catering, do-it-yourself, book your own flight?

**CALDER:** As long as you're aware what the possible risks are - and you may wish to take out insurance to cover yourself against contingent liability if something goes wrong - then it can often be a good policy. And just going back to the question cash is king. Well it kind of always is and anywhere - and it wouldn't surprise me necessarily if it wasn't Greece that fell out of the euro but it was a smaller country, maybe Portugal, maybe Cyprus - you are going to be in a far stronger position if you've got a nice cushion of cash because whatever else happens your euros are going to be hard currency whatever. And there's various scenarios for how a country could leave the euro system, but none of them would suggest anything other than somebody carrying good, strong euros is in a good position.

**DUGGLEBY:** Linda has a supplementary question. She says, 'There look to be quite a lot of bargain packages to Cyprus at the moment. Is this one of those cases where we should wait till the very last possible moment because we could get a cracking deal?'

**TIPTON:** Leaving it till the last minute is always a bit of a lottery. Sometimes it's a good idea, sometimes it isn't really. So I would say if there are good deals now probably now is the time to book them rather than later.

**DUGGLEBY:** Okay. And we have a call also coming in on Cyprus - rather a longer term one - and that's from Janine in Birmingham. Your call, Janine?

**JANINE:** Hi yes. I'm planning to get married in Cyprus in 2014 for which I've already paid a deposit in April after a brief visit. Obviously the recent bailout announcement has got me a little nervous and I was wondering if there was any way I could protect against foreign exchange risk or get some sort of insurance just in case the company goes out of business with our money?

**DUGGLEBY:** Well what sort of package have you got? Is it one of these wedding packages?

**JANINE:** It's a wedding coordinator, yes, so they're organising it all for us.

**DUGGLEBY:** Okay. I'm not very familiar with wedding packages, Sean. Perhaps you could ...

**TIPTON:** Janine, have they also booked the flights for you as well as the hotel and the wedding ceremony?

**JANINE:** No, it will just be the venue and ceremony in Cyprus.

**TIPTON:** Oh I see. So that's not a classic package then, so okay. So you're booking the flights separately, are you?

**JANINE:** Yeah.

**TIPTON:** Okay, well in that case you wouldn't have the cover given by a package if you booked it separately.

**JANINE:** Right, okay.

**TIPTON:** But I would say that it's probably be quite careful of how you pay for this, I would say really. If you can use a credit card. Have you been doing that so far?

**JANINE:** I used my bank account, which is my debit account.

**TIPTON:** Is it a Visa debit card?

**JANINE:** It is, yes.

**TIPTON:** Okay, well that's actually not ... That's good, I'm glad you've done that, because if you pay by Visa debit card you have protection under their own Visa regulations. It's not a legal requirement, but they will cover you if you pay on a Visa debit card and a company goes out of business.

**JANINE:** Oh okay.

**TIPTON:** So I think you've done the right thing. So I think just be careful how you pay. I certainly wouldn't advocate paying cash or sending a cheque if you're worried about a company going out of business.

**DUGGLEBY:** This is the sort of ... I mean she's going to be a bit on tenterhooks for a year, Simon.

**CALDER:** Well yes, except if we can try and put your mind at rest, Janine. Cyprus is still going to be there. It's most unlikely that the venue is not going to be there. Life will continue. There have been many, many examples of countries which have gone through very severe, very painful financial restructuring. For example, we saw the Soviet Union fall apart. That was very, very painful. But the country remains the same. It remains very friendly, very historic, very beautiful, and everything I can imagine will be going ahead. And of course they will want the rest of your money to complete this wedding because that's what they do. They've got to keep ...

**DUGGLEBY:** *(over)* Yeah but playing devil's advocate though. I mean the thing is you pay some money over and if you cancel without good reason well that'll be lost

for starters. I mean the words throwing good money after bad I think will figure quite largely. You know how deeply do I get into this? Nobody's going to insure ... Well I don't know, maybe there is an insurance policy that says if my wedding is completely wrecked and so on and so forth, we will pay for you to get married somewhere else. I doubt it.

**HOWARD:** There are some travel insurance policies that are now beginning to include what we call supply of failure cover, which is tapped onto the end of the schedule airline failure cover section. Not everyone has it yet, but there are insurance companies out there. It is worth looking around. You may get it on your travel insurance for supply failure.

**DUGGLEBY:** And one final question about insurances. Somebody's picked up on this cash for Calder and all this sort of stuff, but has pointed out that, 'I don't think this will be covered under my travel insurance policy if I take too much cash.'

**HOWARD:** No, you need to check your policy small print very carefully. All policies have varying limits of cash that they're prepared to cover as a cash limit and £500 to £750 is normally the top amount.

**DUGGLEBY:** Okay, right, £500 to £750.

**CALDER:** Well that all depends what sort of holiday you're expecting, but certainly for my holidays that is more than enough.

**DUGGLEBY:** *(laughs)* Okay. Right Hywel in Lightwater, your call now.

**HYWEL:** Good afternoon. My wife and I have just come back from Majorca. We were up in the north of the island. And whilst we were there, our passports were stolen and we had to go to the British Consulate to get emergency travel documents. Will the travel insurance company, in your opinion, cover the cost of the emergency travel documents even though we appreciate they won't pay for renewed passports?

**DUGGLEBY:** How much are you out of pocket?

**HYWEL:** About £700.

**DUGGLEBY:** Okay.

**HYWEL:** Totally. I mean that's everything. That's money and everything.

**DUGGLEBY:** Yeah, okay. Is that the sort of potential claim you would want to make, is it?

**HYWEL:** Totally, yes.

**DUGGLEBY:** Right, Stephen?

**HOWARD:** Well again under your travel insurance policy, there is normally a cover for lost or stolen passports. What they normally cover you for are the costs of overnight accommodation and additional transport costs to get you to the British Consulate to have that passport reissued, so you can get emergency papers to get home. The cost of the actual passport itself, the emergency passport, is not generally covered by a travel policy, but your actual passport itself surprisingly is normally dealt with under your baggage travel insurance side of things, so if you made a claim under your baggage insurance. But what you get there is they'll give you the second-hand value of the passport, a very small amount of the ... They won't pay for a new one. They'll pay for what's left on the old one as it were.

**DUGGLEBY:** As if you were going to sell it second-hand. Sorry about that.

**HOWARD:** Well you know people do, unfortunately. So those are the covers, but they don't normally cover the cost of the emergency passport itself. They cover the cost of extra costs in going to get one.

**DUGGLEBY:** Simon, have you ever lost your passport?

**CALDER:** Oh of course, in Spain, but this was in the olden days before airlines demanded it. And this was in Barcelona, usual pick-pocketing thing. And in those days - and we're only talking about sort of 10 years ago - you could just bowl up to the airport and say, "I'm really sorry. Look, I've got my driving licence" and they'd said, "Oh go on, get on."

**DUGGLEBY:** Not any longer.

**CALDER:** And then you get to Heathrow and they "Alright, yeah, you look alright." But it is a miserable, miserable business these days because very few airlines will let you on board their flight unless you can say this is my passport and this is me.

**HYWEL:** Can I just add a rider?

**DUGGLEBY:** Yeah.

**HYWEL:** I've got two documents from the insurance company. On one of them it says exclusion: any costs incurring replacement of passport. On another document it says benefits of your cover, which include up to £500 loss of passport cover.

**HOWARD:** Well that certainly sounds confusing. The £500 loss of passport cover is the additional cost, as I said earlier, to get the passport issued, but they don't cover the cost of the passport itself.

**HYWEL:** And they're £100 a shot.

**HOWARD:** So I would just go back and clarify that with them if you have a query.

**HYWEL:** Yeah it's £100 a passport.

**HOWARD:** There is a complaints procedure under your policy that you can use.

**HYWEL:** Okay, so we've just got to argue a little bit?

**DUGGLEBY:** You have.

**HOWARD:** A little bit.

**HYWEL:** Thank you.

**DUGGLEBY:** Okay, thanks for your call, Hywel. And Margaret's emailed us about EHICs. That's the European insurance document which you can get. And she was very upset because she went onto a website which charged her £14.95 and do our listeners realise that this is a scam.

**CALDER:** It is one of the worst scams and it is extraordinary that the Government, which runs the very efficient European Health Insurance Card Scheme, does not take action against websites which are effectively passing themselves off. In the small print certainly it will say this is not an official NHS site, but the EHIC card is free. When you put EHIC into a well-known search engine, the first three or four entries that come up will all be companies which will give you an EHIC but they will charge you money for it and they shouldn't do. Exactly the same applies for the Electronic System For Travel Authorisation (ESTA) for the US. When you tap ESTA into a search engine, the first three or four will charge you typically £40 or £50 for something which should cost you £9.

**TIPTON:** Yeah it is a problem and I think the main issue here is that - Simon mentioned, we can't name the company - but you know they do get paid to optimise the searches for these companies and, no, there is no charge for it whatsoever. In fact it's a very straightforward procedure. Go online. Last time I applied for mine, I got it back within 5 days. It cost me five minutes of my time.

**DUGGLEBY:** Yeah. Has it got any identifying like gov.uk or something on it?

**CALDER:** Well the thing to do is to ignore anything which is shaded in a very, very light shade of pink and then that should take you to the Government one.

**DUGGLEBY:** Okay.

**CALDER:** But it is a nightmare.

**DUGGLEBY:** Right Alison in Bristol, your call now.

**ALISON:** Hello there. I'm actually in Ryton in Gateshead. I don't know where that came from.

**DUGGLEBY:** Oh right, well according to me you're in Bristol but never mind.

**ALISON:** My husband and I are both in our sixties - I'm 61 and he's just turned 65. We want to travel to see relatives in the US this year, and when we went back to renew our annual cover we got a bit of a shock with the amount that was charged. The trouble is we've both got pre-existing conditions. I had breast cancer 4 years ago. Nothing to report since. My husband had a heart attack, but that was now 11 years ago. Nothing to report since. But in both cases, this seems to have a terrible effect on insurance. Have you got any tips for whether we should be getting joint insurance or try and go separately or get annual cover or whatever?

**DUGGLEBY:** I've solved the problem. (*laughing*) There are two Alisons waiting to call us. You're the one from Ryton. That's why I got confused between you. Right, this is health problems and insurance. It's a standard question we get, so who can start us off? Stephen?

**HOWARD:** There are now a number of specialist travel insurance companies that specifically cover what we call pre-existing medical conditions, serious pre-existing

medical conditions. For your ages with those conditions, it is often difficult to get multi-trip travel insurance. You should be able to get single trip travel insurance for that trip without any difficulty. There are a number of companies out there who specialise - Free Spirit, Insurance With, Good to Go, Now I Can Travel. If you google any of those sort of names, you will find companies and they will have very competitive premiums for your condition because they are specifically geared to ask the right questions and make sure they're covering you properly.

**ALISON:** Yes because obviously we've had this issue for a number of years and what amazed me was how the price had suddenly gone up now, particularly when my husband turned 65. I mean are there specialist companies who for example won't mind that I had breast cancer or companies that don't ...

**HOWARD:** Well all of those companies I mentioned would not have a problem with the breast cancer because that was the original condition that they set themselves up to cover to start with.

**ALISON:** Right, okay.

**DUGGLEBY:** But claims experience of course does deteriorate with age.

**HOWARD:** Claims experience does deteriorate with age, it's true, and certainly there are still insurance companies who still have the old thing that when you hit 65 premiums double automatically. It's something that's being phased out across the market, but it's difficult to move those templates overnight as it were. So hitting 65 and 40 does give you a bit of a shock, but if you shop around any of those companies I've mentioned, I think you will find you'll get a policy that will suit your needs quite easily at a reasonable price.

**DUGGLEBY:** If you go on the internet and look up some of the national newspapers, of which Simon represents one - he's the Independent, there's the Telegraph and the Times - I think just about every financial journalist, Simon, has done some really quite good pieces on older people's insurance in the last few months?

**CALDER:** There is some very good work that has been done, as you say, across a wide range of newspapers. Well worth looking at.

**DUGGLEBY:** So you can generally find that by putting in the name of the travel editor and then all your articles immediately appear, hopefully.

**CALDER:** Yes, many other travel editors are available.

**DUGGLEBY:** Okey-dokey. Right now then, we've got Jan. Your call now, Jan.

**JAN:** Hello there. I'm asking about compensation for lost time on holiday. I booked an all inclusive package holiday in Dominican Republic for a friend's wedding earlier this year. Our tour operator told us eventually that the flight was going to be delayed by 24 hours because the aircraft was unserviceable and stuck somewhere abroad. Now they did put us up in a hotel overnight, as I know they're supposed to, but I've written three letters to them asking them what they would do for me for that lost day in the resort and their answer is a flat absolutely nothing.

**DUGGLEBY:** Well they did do something for you. They put you up in a hotel in Gatwick.

**JAN:** Yeah. I mean if I went to a supermarket and bought a bag of apples and one of them turned out to be bad, I wouldn't expect them just to give me a grape in return.

**DUGGLEBY:** Well they could give you another apple. No, I see your point. Anyway it's the loss of enjoyment that you're concerned about ...

**JAN:** Absolutely, yes.

**DUGGLEBY:** ... but I think your complaint will fall on stony ground, but I'll check with Sean.

**TIPTON:** Well Jan, they will take the view that because they put you up in a hotel that obviously there was a financial aspect to that which they paid. But having said that, having said that, if you feel that you know you would like them to pay some compensation, you can take this up with them again. I mean it's basically a kind of negotiating tactic with them, so I would advise that if you're not happy you can indeed do precisely that - go back to them and ask them for a sum of money. And if you feel that that hasn't worked at all, you can involve us at a later stage if you've tried to resolve with them on two occasions. We have an arbitration scheme we can use. The other issue as well is that if you do find yourself with a lengthy delay, if the delay is more than 12 hours then you do actually have the option on a package holiday just to say to them actually I'd really rather go home and you get a full refund for that. It's slightly different on a flight only, that's five hours, but on a package it's usually 12.

**CALDER:** And Jan, just to annoy you, I'm afraid, of course there will be an equal and opposite number of people who were out in the Dominican Republic who got an extra 24 hours on Thomson Holidays.

**JAN:** Absolutely. I envy those.

**CALDER:** So I'm afraid it's swings and roundabouts and you were one of the losers to that.

**DUGGLEBY:** Thanks for that call.

**JAN:** Thank you.

**DUGGLEBY:** My producer's just come in with a thing saying that the official website of the official EHIC is [www.ehic.org.uk](http://www.ehic.org.uk). So I take it if you put that in, you will get the correct site. Now then, a couple for you Simon. This is about using credit cards abroad. 'I was recently in Egypt and I received a credit card bill from my bank. It had a 2.5% additional foreign exchange fee on top. When I went earlier in the year to Egypt, this didn't happen. What's going on?'

**CALDER:** Well insurance ... sorry credit card companies are operating different policies. This sounds as though it was something that they just loaded after the event, in which case take it up with your credit card issuer. What we are seeing in a number of places is if you turn up, for example as I did in Denmark, and you try to buy something with your credit card, they'll say aha, that's not a Danish credit card, we're going to charge you 1.5%. Same thing paying for stuff on credit cards in some parts of Australia. And of course, thanks to the strength of the Australian dollar, almost nobody can afford to go there at the moment. It is very, very taxing, which is why taking cash has the huge advantage that you know exactly what it has cost you to buy that foreign exchange and you're not going to get any unpleasant surprises like 2.5% loading when you come back from Egypt.

**DUGGLEBY:** And Peter in Sheffield would like us to warn people that there are two charges that you get. One is the actual commission charge and the other is the conversion rate, and he says we often don't hear much about conversion rates.

**CALDER:** No, the card issuer fixes their own conversion rates. Normally they're relatively competitive, but of course you have no idea until you get back what rate they are going to use.

**DUGGLEBY:** Okay and I think we've got time for one more call. Catherine in Milton ... No, I beg your pardon, Alison. This is the Alison I called up earlier. Alison in Bristol, your call.

**ALISON:** Hello. I've got a son who's 17 and he's going off with his friends interrailing to a number of European countries this year. I'd obviously like him to keep in contact as much as he wants to, which probably won't be very much but to keep a check on him, make sure things are going okay. Wondering what's the cheapest way with mobiles because you did mention at the beginning of the programme there was some new law coming in at the weekend.

**DUGGLEBY:** Yeah new arrangements. Okay, well you've got about half a minute, Simon, to describe. I hope this really goes well for your son. Interrailing across

Europe as a young man. Sounds great.

**CALDER:** A splendid idea. First of all, very, very quick question: has he got access to a laptop that he can take - doesn't matter how old or tatty it is?

**ALISON:** No, it'll just be a mobile phone.

**CALDER:** Okay, well in that case he can take a mobile phone and that is going to be capped at a lower and lower rate. I think it's about 25 pence a minute for making calls and about 15 pence a minute for receiving them. But that's still too expensive. The thing to do is to give him a mobile phone for use in emergencies, but tell him to use all the telephone call centres that all the expatriate workers use at places all across Europe, normally in the local railway station. That is the cheapest way to get in touch with you and reassure you that everything is well.

**DUGGLEBY:** And he can get emergency money sent out and things like that, can he?

**CALDER:** Absolutely. The best way to do that is to get a prepaid card and load it on the internet.

**DUGGLEBY:** And insurance policy relatively cheap for a young man in that situation?

**HOWARD:** Yes for that sort of what we call backpacking insurance, very cheap.

**DUGGLEBY:** Good, okay. Well I hope it really goes well for him. We've run out of time, I'm afraid, but we have a website, [bbc.co.uk/moneybox](http://bbc.co.uk/moneybox) with information, links to travel website. Listen again, read a transcript, have your say. My guests Sean Tipton from ABTA; Stephen Howard from the Association of Travel Insurance Intermediaries; and Simon Calder from the Independent, thanks to them. Paul Lewis will be here for Money Box at noon on Saturday and he'll also be taking your calls on

tax here on Money Box Live next Wednesday afternoon.