

JUNK FEES IN REMITTANCES



How transparent are providers about their fees?
April 2024

Junk fees in remittances

What's the purpose of this report?

This report aims to assess the state of price transparency in remittances in the U.S. over a decade after the Dodd-Frank Act of 2010, which gave the CFPB a mandate to create fee disclosure rules for international money transfers.





Most recently, in March 2024, the CFPB issued a [circular](#) warning providers about false claims of 'free' transfers, bringing renewed scrutiny to hidden fees by calling out misleading marketing in remittances and stating that fees hidden in exchange rate markups are 'junk fees.'

The United States is by far the biggest remittance sending country in the world, with Mexico receiving the largest share of those remittances. **This report provides a snapshot of disclosures in the U.S. remittance market by testing 1,000 USD to Mexican Peso across leading providers to assess if providers continue to hide fees from consumers.**



Are U.S. banks and remittance providers transparent about their fees?

Sending 1,000 USD → MXN

Company	FX mark-up	Mark-up fees	Transparency rating
	3.67%	\$36.66 hidden fee	Poor
	1.60%	\$16.00 hidden fee	Poor
	1.40%	\$13.78 hidden fee	Poor
	1.73%	\$17.10 hidden fee	Poor

How do we measure transparency?

Total fees are shown and/or have the lowest markup (transaction fees plus exchange rate markups).

Good

Some fees are hidden from the consumer and/or include a markup disclosure.

Ok

Fees are hidden from the consumer, including the exchange rate markup.


Poor

Note: A few providers use promotional rates on the first transfer. For this report, we've excluded these one-time promotional rates, since they do not represent the cost of sending remittances with that provider (e.g. on a recurring basis), and they make comparing fees difficult.

Wells Fargo

Sending 1,000 USD → MXN

- A **3.67%** exchange rate mark-up isn't communicated as a cost.
- The mark-up information is written in small print.
- Wells Fargo exchange rate is presented as **the** exchange rate.

Transfer amount	Mid-market exchange rate	Wells Fargo exchange rate	Hidden markup fee	Stated transaction fee	Real total cost	Transparency rating
	1 USD = 17.01 MXN	1 USD = 16.385 MXN + 3.67%	\$623.53 MXN (\$36.66 USD)	\$0.00	\$36.66 USD	Poor

*Data collected in April 23, 2024

*Mid-market FX rate gathered at the same time as test transfer. Source: Google.

Wells Fargo: Where is the fee?

Sending 1,000 USD → MXN

1,000 United States Dollar equals
17,008.40 Mexican Peso

Apr 23, 4:05 PM UTC · Disclaimer

1000 United States Dollar ▾

17008.40 Mexican Peso ▾

A **3.67%** exchange rate mark-up against the mid-market rate isn't communicated as a cost.

WELLS FARGO Search Sign Off

Accounts ▾ | Brokerage | Transfer & Pay ▾ | Plan & Learn ▾ | Security & Support ▾

Account Summary

Send Money

Jane Kaur
Mexico

From
EVERYDAY CHECKING ...6462 (Available balance \$1,826.67)

Currency
Mexican Peso (MXN)

Amount
Transfer limits \$25,000.00 daily, \$75,000.00 30-day

\$ 16,384.87 = \$ 1,000.00 **Calculate**

Mexican Peso (MXN) US Dollar (USD)

Exchange rate ? 1 USD = 16.385 MXN

Wire transfer fee
\$0.00

Message to recipient's bank (Optional) ⓘ
Your recipient will also see this message.
Use letters or numbers only
70 characters remaining

[Important Information Below](#)

Cancel **Continue**

In addition to any applicable fees, Wells Fargo makes money when we convert one currency to another currency for you. The exchange rate used is set by Wells Fargo, includes a markup and may be different than exchange rates you see elsewhere. For additional information related to Wires and foreign currency wires, please see the [Online Access Agreement](#) or applicable service documentation.

\$0 handling fee creates the impression cost = zero.

Wells Fargo discloses they make money from currency exchange, but doesn't specify how much they mark-up their exchange rate.

*Data collected in April 2024


*Mid-market FX rate gathered at the same time as test transfer.

Source: Google.

Xoom by PayPal

Sending 1,000 USD → MXN

- A **1.60%** exchange rate mark-up isn't communicated as a cost.
- The mark-up information is written in small print.
- Xoom exchange rate is presented as **the** exchange rate.

Transfer amount	Mid-market exchange rate	Xoom exchange rate	Hidden markup fee	Stated transaction fee	Real total cost	Transparency rating
	1 USD = 17.18 MXN	1 USD = 16.9057 MXN + 1.60%	\$274.70 MXN (\$16.00 USD)	\$0.00	\$16.00 USD	Poor

*Data collected in April 2024

*Mid-market FX rate gathered at the same time as test transfer. Source: Google

Xoom: Where is the fee?

Sending 1,000 USD → MXN

A **1.60%** exchange rate mark-up against the mid-market rate isn't communicated as a cost.

1,000 United States Dollar equals

17,180.70 Mexican Peso

Apr 25, 6:15 PM UTC - Disclaimer

1000 United States Dollar ▾

17180.70 Mexican Peso ▾

*Data collected in August - September 2023

*Mid-market FX rate gathered at the same time as test transfer. Source: Google.

A fast, easy way to send money to Mexico

How much do you want to send for bank deposit, mobile wallet, or cash pickup?

📁 Enjoy our improved exchange rates when sending USD to Mexico + \$0 Xoom transfer fees on eligible USD transactions.

Send amount
1000.00 USD ▾

Receiving amount
16906.00 MXN

1 USD = 16.9057 MXN* [Show Fees](#)

* In addition to the transaction fee, we also make money when we change your send currency into a different currency. We round to the nearest whole peso.

[Send Now](#)

New to Xoom? [Sign Up Now](#)

Fee for Bank Deposit

Paying with	Fee in USD
PayPal USD (PYUSD)	0.00
PayPal balance	0.00
Bank account	0.00
Debit card	6.78
Credit card*	3.99


\$0 handling fee creates the impression cost = zero.

Xoom discloses they make money from currency exchange, but doesn't specify how much they mark-up their exchange rate.

MoneyGram

Sending 1,000 USD → MXN

- A **1.40%** exchange rate mark-up isn't communicated as a cost.
- MoneyGram exchange rate is presented as **the** exchange rate.
- The mark-up information is written in small print.

Transfer amount	Mid-market exchange rate	MoneyGram exchange rate	Hidden markup fee	Stated transaction fee	Real total cost	Transparency rating
	1 USD = 16.98 MXN	1 USD = 16.7425 MXN + 1.40%	\$234.02 MXN (\$13.78 USD)	\$2.99	\$16.77 USD	Poor

*Data collected in April 2024

*Mid-market FX rate gathered at the same time as test transfer.

Source: Google.

MoneyGram: Where is the fee?

Sending 1,000 USD → MXN

1 United States Dollar equals
16.98 Mexican Peso
Apr 17, 7:20 PM UTC - Disclaimer

1000 United States Dollar ▾
16977.02 Mexican Peso ▾

A **1.40%** exchange rate mark-up against the mid-market rate isn't communicated as a cost.

\$2.00 fee creates the impression it is the only charge for the transaction.

RATES & FEES

SEND
1,000.00 USD 🇺🇸

Send up to 25,000.00 USD

RECEIVE
16,743.00 MXN 🇲🇽

Change Receiver Country

1.0000 USD = 16.7425 MXN¹

Money available by ³
0-1 Business Days

Select a Payment Option

- Debit Card
VISA MASTERCARD
2.99 USD
Transfer Fee
- Credit Card ²
VISA MASTERCARD DISCOVER
32.99 USD
Transfer Fee

Select a Receive Method

- Direct to Bank Account
- Debit Card Deposit
VISA MASTERCARD
- Cash Pickup
- Cash Pickup at Elektra
elektra

*Data collected in April 17 2024

*Mid-market FX rate gathered at the same time as test transfer.

Source: Google.

MoneyGram: Where is the fee?

“Welcome Discount” gives the impression cost = zero and misleads the consumer.

Enter a Promo/Coupon Code
(OPTIONAL)

MoneyOnUs Remove

FEES	2.99 USD
WELCOME DISCOUNT	-2.99 USD
TOTAL COST⁴	1,000.00 USD

[Get Started](#)

1. In addition to transfer fees, a currency exchange rate, also determined by MoneyGram, may also apply. MoneyGram may also make money from currency exchange. When selecting a money transfer operator, carefully compare both transfer fees and currency exchange rates. Transfer fees may vary depending on the amount being transferred and the delivery method. Transfer fee and currency exchange rate may be subject to change by MoneyGram without notice.

2. Your chosen bank/company may charge fees, advance fees and interest charges.

3. Date of availability will be displayed on the transaction receipt. Timing of funds availability depends on the destination country and is subject to banking hours and compliance with regulatory requirements.

4. Fee and cost estimates apply to this online transaction at this time.

MoneyGram discloses they make money from currency exchange, but doesn't specify how much they mark-up their exchange rate.


*Data collected in April 17, 2024

*Mid-market FX rate gathered at the same time as test transfer. Source: Google.

Western Union

Sending 1,000 USD → MXN

- A 1.73% exchange rate mark-up isn't communicated as a cost.
- \$0 handling fee creates impression cost = zero.
- Western Union exchange rate is presented as **the best** exchange rate.

Transfer amount	Mid-market exchange rate	Western Union exchange rate	Hidden markup fee	Stated transaction fee	Real total cost	Transparency rating
	1 USD = 16.96 MXN	1 USD = 16.6660 MXN + 1.73%	\$290.10MXN (\$17.10 USD)	\$0.00	\$17.10 USD	Poor

*Data collected in May 2024

*Mid-market FX rate gathered at the same time as test transfer. Source: Google.

Western Union: Where is the fee?

Sending 1,000 USD → MXN

1,000 United States Dollar equals
**16,956.10 Mexican
Peso**
May 2, 3:08 PM UTC · Disclaimer
1000 United States Dollar
16956.10 Mexican Peso

A **1.73%** exchange rate mark-up against the mid-market rate isn't communicated as a cost.

Western Union offers a "BEST RATE", but doesn't clarify if this rate is temporary, applied to a certain amount sent or only for new customers.

*Data collected in May 2024

*Mid-market FX rate gathered at the same time as test transfer.

Source: Google.

Send Money Online

Your receiver's country and send amount

Send to Mexico

Send amount: 1000.00 USD ↔ Receive amount: 16947.00 MXN
Send up to 4,999.00 USD

1.00 USD = 16.6660 MXN 6.9468 Mexican Peso (MXN)² BEST RATE

How does your receiver want the money?

Cash pick up | **Bank account¹⁰** | Mercado Pago

How would you like to pay? ³¹

Pay online Pay cash in-store

Credit Card | **Debit Card** | Bank account

Real Time^{1,8} Fee² 25.00 USD | Real Time^{1,8} Fee² 0.00 USD | 0-4 Business days^{1,8,33} Fee² 0.00 USD

Summary

Exchange Rate²

16.6660 MXN
1.00 USD = 16.9468 MXN
BEST RATE

Transfer amount: 1,000.00 USD

Transfer fee²: **100% OFF** -1.99 USD + 0.00 USD

Promo discount: Apply promo

Transfer total: 1,000.00 USD

Total to receiver: 6,947.00 MXN

Service time: ^{1,8} 0- Business days

"100% OFF" and \$0 fee creates the impression cost = zero.

Western Union: Where is the fee?

When you send money outside of the U.S. or its territories, the term "receiver" means your Final Receiver and the terms "transaction" or "transfer" generally mean the two separate money transfer transactions as described in our terms and conditions.

¹ Date available will be displayed on receipt for international transfers over \$15. Service and funds may be delayed or unavailable depending on certain factors including the Service selected, the selection of delayed delivery options, special terms applicable to each Service, amount sent, destination country, currency availability, regulatory issues, consumer protection issues, identification requirements, delivery restrictions, agent location hours, and differences in time zones (collectively, "Restrictions"). Additional restrictions may apply; see our terms and conditions for details.

² In addition to the transfer fee, Western Union also makes money from currency exchange. When choosing a money transmitter, carefully compare both transfer fees and exchange rates. Fees, foreign exchange rates and taxes may vary by brand, channel, and location based on a number of factors. Fees and rates subject to change without notice.

⁸ Excludes receiver's bank holidays.

¹⁰ Please use care when providing bank account information. Funds will be paid into in the bank account corresponding to account number you provide. Please Note: The receiver's account must be a local currency payout account.

³¹ The price for each type of money transfer is based on many factors, such as the speed of the transfer, destination of funds, and other factors. Choose the funding method that works best for you.

[Western Union's Tobacco Purchase or Sale Policy.](#)

My WU service fee reduction are not currently applied to online bill payments or transfers that are set up through the Western Union mobile app and paid for at participating agent locations.

Western Union, P. O. Box 6036, Englewood, CO, 80155

Western Union discloses in fine print they make money from currency exchange, but doesn't specify how much they mark-up their exchange rate.

*Data collected in April 17, 2024

*Mid-market FX rate gathered at the same time as test transfer. Source: Google.



Sending 1,000 USD → MXN



Mid-market exchange rate you find on Google or Reuters (no mark-up)

You send exactly

1,000

USD

- 1.30 USD Connected bank account (ACH) fee ▾
- 6.82 USD Our fee
- 8.12 USD Total fees

= 991.88 USD

Total amount we'll convert

× 17.1618

Guaranteed rate (8h)

Recipient gets

17,022.45

MXN

You could save up to 43.56 USD

Should arrive in seconds





Compare price

Send money now

All transfer fees disclosed up-front

FIND OUT HOW MUCH IT COSTS TO SEND MONEY ABROAD

Comparison page shows cheapest option, even when it's not us.

Sending 1,000.00 USD with	Recipient gets (Total after fees)	Transfer fee	Exchange rate (1 USD → MXN)
 Wise ✓ Cheapest	16,913.14 MXN Save up to 604.84 MXN	8.12 USD	17.0516 ● Mid-market rate
	16,874.24 MXN ▼ -38.90 MXN	0.00 USD	16.8742 ●
	16,861.34 MXN ▼ -51.80 MXN	0.00 USD	16.8613 ●
 MoneyGram.	16,843.05 MXN ▼ -70.09 MXN	6.99 USD	16.9616 ●

