

New microchip card for US purchases in Europe

December 10 2010, By BETH J. HARPAZ , AP Travel Editor



This product image courtesy of Travelex shows the Travelex prepaid smart card. This new card utilizes the microchip and PIN technology that is standard in credit cards in Europe making it easier to pay for things when traveling abroad. (AP Photo/Travelex) NO SALES

(AP) -- If you've traveled to Europe recently, you may have had the frustrating experience of being unable to use a U.S.-issued credit card for automated transactions, like renting a bike from a stand on the street, paying for highway tolls or buying a train ticket from an unmanned kiosk. A new prepaid smart card from Travelex solves that problem by utilizing the microchip and PIN technology that is standard in credit cards in Europe, but not here.

The new Cash Passport card can be bought in either euros or pounds from Travelex retail stores. They will also be sold online next year from

the <http://www.US.Travelex.com> website, which also lists Travelex retail store locations.

The cards are preloaded with an amount of money you choose at an exchange rate of 3.75 to 11.5 percent. The more money you load, the lower the exchange rate.

"Thank goodness. Such a headache when traveling in Europe," tweeted Leyla Farah when she read about the new product.

Farah, a social media specialist with a soon-to-be-launched site called HotelHostess.com that offers trip advice for women, later elaborated in a phone interview that she had been unable to use a U.S. credit card to rent bikes on the street in Paris or to make small purchases from corner kiosks in Spain.

"It made me insane!" she said. "I presented my credit card thinking it would be like going to a retail store. But you could only buy things with a chipped card." She said the new card will also make a perfect bon voyage gift for Americans traveling to Europe.

Travelex has sold Cash Passport cards previously, but only with the magnetic stripe found on regular [credit cards](#). The new Cash Passport has the stripe but is also embedded with the [microchip](#). Users are also given a PIN to type in when using the card.

"Adding the chip technology is really making this card a must-have in our minds," said Jon Dario, president of Travelex Currency Services.

You can freeze funds with a phone call if the card is lost or stolen, and either pick up a replacement or have one delivered to wherever you are staying. Travelex will also issue a free back-up card when you buy the card, so that if you lose the first one, you can have it cancelled and

activate the second one.

When you use the card to buy something or to withdraw money from an ATM, the purchase or cash withdrawal is immediately debited from the preloaded value.

Ed Perkins, a consumer travel advocate and contributing editor for SmarterTravel.com, said that as far as he knew, "this is the only card available to ordinary Americans that has both a chip and pin and a magnetic stripe."

But he complained that the card is sold "at a very bad exchange rate, unless you get as much as \$2,500, then you begin to get a decent exchange rate, although it's still not as good as the 3 percent (transaction) fee" charged by most credit cards on overseas purchases.

"You're paying a stiff price for the convenience" of the chip-and-PIN system, he said.

At Friday's exchange rates, if you put \$100 on a Cash Passport card, the exchange rate would be 1.52. If you bought \$1,000, the rate would be 1.50. If you bought \$2,500 or more, the rate would be discounted to 1.37.

Perkins said whether you need the card and how much you should put on it "depends on what kind of trip you're taking. If you're going to be out driving, using toll highways and spending \$50 to \$60 a day buying gas, you might want the chipped card. That might be the most efficient way to go. But if you're just heading to a rental cottage in Provence for a week, you might not need it much."

A common problem faced by Americans in Europe is the incompatibility of U.S. credit cards with machines that sell train tickets.

For example, Perkins said traveling by train into Paris from Charles de Gaulle Airport is always a headache for Americans, who end up standing in long lines at the manned ticket booth because their credit cards don't work at the automated ticket kiosks.

The Cash Passport card is good for five years, though an inactivity fee will be charged after a year of non-use. Travelex will also give back any cash on the card at prevailing exchange rates without additional fees within 90 days of original purchase.

Next year Travelex plans to introduce a multi-currency card capable of storing currency from around the world.

Due to licensing issues, the Cash Passport card cannot currently be purchased in Nevada, Connecticut and Rhode Island.

©2010 The Associated Press. All rights reserved. This material may not be published, broadcast, rewritten or redistributed.

Citation: New microchip card for US purchases in Europe (2010, December 10) retrieved 25 April 2024 from <https://phys.org/news/2010-12-microchip-card-europe.html>

This document is subject to copyright. Apart from any fair dealing for the purpose of private study or research, no part may be reproduced without the written permission. The content is provided for information purposes only.