

Banking on Remittances:

Increasing Market Efficiencies for Consumers and Financial Institutions

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Spanish is necessary but not sufficient

We first ask if there is someone that speaks Spanish. If not, we go somewhere else.

Trust is not an issue -- but

- Not sure if banks provide remittance services
- Not sure of the cost

Yes, but they must charge a lot because my husband has never wanted to use it.

Access to funds is an issue

Insecurity is the main problem: they tell you that with this identification you can do many things, but then 3 years from now things change and they will say that is no longer valid. We are afraid to lose everything.

Trust is an issue for credit unions

There is so much distrust with *cajas de ahorro*, it's very different from an established bank. Banks are more secure, on the other hand *cajas de ahorro* might pay a little more for your investments but they can just disappear overnight with your money. What can you do?

Cost and service are important

Three important factors for me are: first making sure the money gets there the same or next day, second the exchange rate, and third making sure they will receive the actual amount I sent.

Both senders and receivers matter

I changed [companies] because they charged too much. But my husband did not. Because his mom is used to the way he sends it and does not want to change. She trusts that system. She always goes to the same place to collect.



ID requirements are a concern

I cannot open a bank account because I don't have a valid ID. I do have the Consular card but they tell me 'Yes, you can use it,' 'No, you cannot use it.' So I decided that it is better not to open an account.

Problems with insufficient or misinformation

I've known of people who have closed their account because without their knowing why they were charged a service fee, or they were charged for checks.

Consumer savvy

If you are looking for a credit card or a loan, you will see which bank charges you less. If you start thinking, you go for whatever is best for you.



Consumer challenges

Or you ask for a loan, and they give it to you but they don't explain things much because you are Hispanic. There are always clauses with tiny letters. If you don't read that in Spanish, much less in English. And then it turns out that under these and the other circumstances they were going to charge you extra.

Banks can review products, services, and ID policies; develop partnerships with various stakeholders

Community groups can work with consumers and businesses to disseminate information and education

We do want to save and prosper but they need to make things easier for us.