Technology

Start-ups disrupt local forex scene

They aim to take the hassle out of dealing with foreign currencies and exchange rates

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Dealing with foreign currencies and ever-fluid exchange rates can be frustrating for consumers, and a number of start-ups in Singapore are determined to change that.

One is RateX, the brainchild of three final-year undergraduates at the National University of Singapore, which aims to “flatten” cross-border online shopping by offering real exchange rates without additional hidden transaction fees.

The online payment tool, available as an extension on the Google Chrome Web browser, matches the sum of an online overseas purchase with rates from currency exchange websites. This allows the user to pay for the purchase in his local currency. RateX does this by transacting with bulk creditors from its overseas merchant partners.

This means online shoppers can avoid having to pay hidden fees when making cross-border purchases, chief executive Goh Juei Kai told The Straits Times.

He noted that banks and other providers typically charge up to 5 per cent in hidden fees on top of their own exchange rates for overseas transactions.

Another co-founder, Mr Davis Gay, said: “People are not comfortable buying things online because there is no guarantee on the final price at the point of transaction. Even if the e-commerce website quotes you in your local currency, you might still be charged by banks for foreign merchant transactions. We want to make sure Singaporeans pay only what they see on RateX appearance on the checkout form.”

Launched in December, the browser app now has more than 500 users and is available only on e-commerce site Amazon.

RateX plans to expand its use to more US-based fashion and travel websites by the next quarter, and to China’s Taobao, said Mr Goh.

One start-up making waves in the local foreign exchange scene is Travelbox, which wants to help increase transparency in the market for travellers and money changers with its cloud-based services.

The firm, set up in 2015, offers two platforms: Geeks, a currency-exchange rate aggregator platform for travellers, and Box4x, a SaaS (Software as a Service) platform that helps money changers better manage their businesses.

Chief marketing officer Angela Chong noted that the biggest issue with forex transactions for travellers is the lack of price transparency.

“Finding and comparing money-changer rates remains a challenge. Very often, money changers do not publish their rates online, so people still have to go from store to store to compare rates,” she noted.

Geeks aims to address this issue by aggregating rates from various money changers and putting up the data on an online directory so travellers can easily find the information they need.”