

Immigrant groups boycott over transfer fees

By Janice Fioravante

Monday, October 22nd 2007

When Elizabeth Mendoza wires cash to her mom, she shops around for low fees so as much of the money as possible makes it to Mexico.

That frugality has the Sunset Park, Brooklyn, woman joining a group of immigrants boycotting Western Union over what they claim are excessive fees.

"They charge too much," she complained.

It costs Mendoza \$15 to send \$300 to her mother in Acatlan de Osorio in Puebla via Western Union. She can get a slightly better rate, \$12, from Delgado Travel, an agency in her neighborhood.

"This is a better deal for my mother because she can get more money," she said.

Mendoza has other gripes with Western Union. When she sends \$1,000 to her siblings in the U.S., Western Union charges \$70 compared with \$40 by Delgado. And when she uses Delgado, her mom in Mexico receives dollars, which she can hold onto until the dollar-peso exchange rate is most favorable. With Western Union, her mother receives pesos at that day's exchange rate.

One of the groups spearheading the boycott is the Neighborhood Economic Development Advocacy Project's Immigrant Financial Justice program. Deyanira Del Rio, associate director of the project, which is based in Manhattan, said the goal is to prod Western Union to lower its fees, to use more favorable exchange rates and to reinvest in the communities it services.

"It raises the level of scrutiny," Del Rio said of the boycott, which she said has the backing of 158 immigrant groups. "Money transmission needs better disclosures."

But Western Union spokeswoman Sherry Johnson defended her company's prices, and said her company provides better service and reliability than many competitors. "There's lots of competition and we know that our customers have many choices," Johnson said. "We know that there are lower-priced services out there, but price is not always the only differentiator."

Johnson also bristled at suggestions Western Union is not committed to the areas it serves, citing its Our World, Our Family Program, a \$50-million, five-year plan to provide migrant families with more educational and economic opportunities.

This document is provided for "fair use" not-for-profit, educational purposes (and other related purposes). If you wish to use this copyrighted material for purposes of your own that go beyond "fair use," you must obtain permission from the copyright owner.