



# Cure for the holiday hangover

## Use the power of the pound

Go to places where the pound is strong relative to the local currency. For years I made almost all my travel decisions based on where my money had the greatest buying power. As a result I've travelled throughout Latin America and South America, taking advantage of declines in the local currencies. I have stayed in some of the nicest hotels in Latin America's cities for half what a comparable room would cost in London. Also, I could eat at some of the nicest local restaurants for one or two weeks and never come close to the cost of three nights out in London.

## Five-star or funky?

Prioritise what's important to you. Staying in the best five-star hotel is rarely a priority for me. I'm more interested in experiencing the history, architecture and arts of the area. So I prefer to spend my money getting the best guides and tours. A London friend likes to have the best food and wine, so he stays in modestly priced hotels. Decide what aspect of your holiday will make you happiest and allocate your funds accordingly.

## Net gains

Compare prices and costs using the internet and then use the information to negotiate lower prices. I do my



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initial research about prices and special offers on the internet, using that information to negotiate price reductions. For example, many hotels will meet the special rates available on the internet when you call them. Sometimes they'll even meet or give a lower rate than that of a competing hotel in the same class. The same is true for car rental companies.

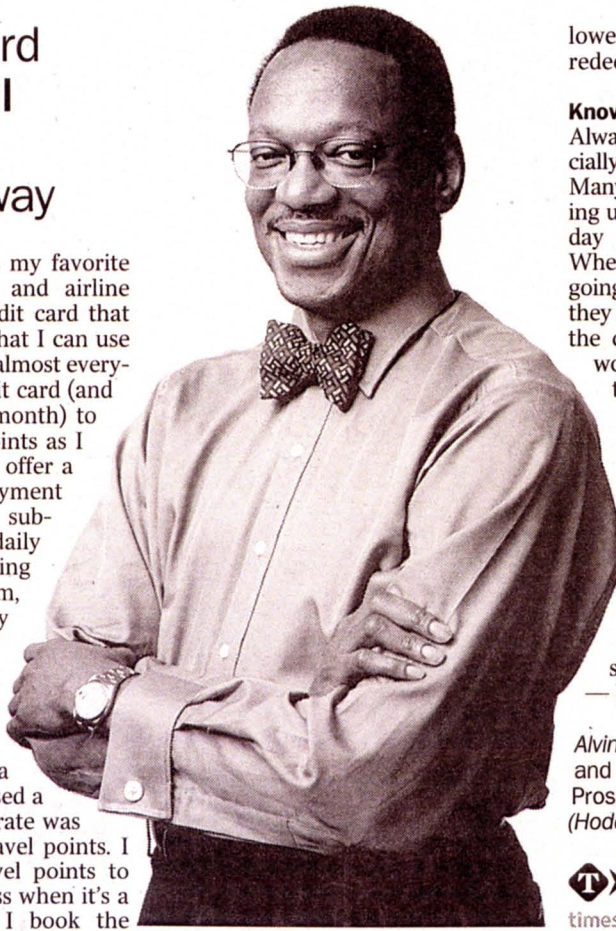
## Think local

Book excursions at your destination. This can result in significant savings. On a trip to La Paz in Bolivia, the hotel where I was staying recommended a few local tour companies to take me to archaeological digs. The cost was much less than it would have been if I had reserved the tour from home.

## Win at cards

Get a credit card that allows you to accumulate travel points and then use them to offset part of the cost of your holiday, especially hotels and

travel upgrades. This is my favorite way of keeping hotel and airline costs low. I have a credit card that gives me travel points that I can use for hotel stays. I charge almost everything I can on this credit card (and pay it off in full each month) to accumulate as many points as I can. Some hotel chains offer a "cash plus points" payment combination that can substantially reduce the daily room rate. While planning for a trip to Amsterdam, friends found that if they paid "cash" for their hotel room it was 330 euros (£238) a day. If they paid using points only, it would cost them 12,000 points a day. However, if they used a combination, the daily rate was 90 euros plus 4,000 travel points. I frequently use my travel points to upgrade to business class when it's a long overnight flight. I book the



lowest upgradeable fare and then redeem miles for the upgrade.

## Know your limits

Always set a daily spending limit, especially for food and entertainment. Many people fall into the trap of equating unbridled spending while on holiday with freedom and relaxation. When people tell me they are not going to worry about money while they are away, I wince because I know the chances are high that they will worry about money once they return. Before you leave, set a daily limit on the amount you will spend, especially on food, entertainment and gifts — the areas where people are most likely to go overboard. By thinking how much you are willing to spend, you can give yourself the peace of mind of knowing in advance that you won't return home in worse financial shape. And that's really relaxing — both mentally and physically.

*Alvin Hall's latest book is You and Your Money — Creating a Prosperous Relationship (Hodder & Stoughton, £6.99).*

Go farther for less: more budget tips on holiday [timesonline.co.uk/essentials](http://timesonline.co.uk/essentials)