

How Wire Transfers Work

Here is a little bit of information about what wire transfers are, what purpose they serve, where they come from, and how they work outside of the movies.

If you're a fan of the movies, you've undoubtedly heard wire transfers mentioned - usually as part of some scheme by the bad guy to get the money that they're wanting from the good guy, which is almost always foiled right at the last minute. If this is all that you know of wire transfers, however, then you likely don't know much about what they actually are or their real and legitimate purposes.



In that case, here is a little bit of information about what wire transfers are, what purpose they serve, where they come from, and how they work outside of the movies.

The History of Wire Transfers

In order to get an idea of what wire transfers are and where they come from, it's important to understand where they originated from. Before computerized banking and modern money transfer systems existed, the world needed a secure way to send money from one location to another in a hurry.

This was done by wire transfer, which was a system that enabled you to give your payment to a teller at a bank or telegraph office, and they would then send a request via telegraph that the payment be made to an individual at another bank or office. The funds would then be transferred from one bank or office to the other securely at a later date.

This was the common method of transferring money from one bank account to another, and was also the best way to send money along ahead of your arrival for others to pay for some of your expenses when traveling.

How Wire Transfers Work in the Electronic Age

Obviously, telegraph transfers are unnecessary in the age of the internet and instant messaging. Instead of taking the time to transmit a telegram to request that funds be paid out to one individual or be transferred to a certain account, the information can simply be entered into a computer and all of the transfers can be taken care of instantly and electronically and without the use of Morse code.

Though the "wire" involved has changed from old world telegraph wires to modern fiber optic cable, the term "wire transfer" has stuck around because the service provided remains essentially the same as it was two hundred years ago.

What Wire Transfers Are Used For

Even in a world filled with credit cards, debit cards, cheques, and ATM withdrawals, people still use wire transfers to get their money to where it needs to be. Some of the more common uses of wire transfers are sending emergency cash to friends or relatives in a hurry, making payments to the afore-mentioned credit cards, transferring funds from one bank account to another (either for payment purposes or as a means to lend money), and the covering of business expenses especially when opening a new business or base of operations.

Where Wire Transfers Are Sent From

Though the days of the old-fashioned telegraph are gone, businesses that offer wire transfer services still live on. Wire transfers can generally be sent from most bank branches (sending money from one account to another), and can also be sent from specialized offices such as Western Union which was one of the more successful telegraph offices and still remains in business today.

Due to the interactivity of the internet, wire transfers can even be originated online at either your local bank's online banking portal (if they allow automatic payments and transfers to be started online) or at the website for services such as Western Union usually paid for with a credit or debit card.

Short note about the author

John Mussi is the founder of Direct Online Loans who help homeowners find the best available loans via the www.directonlineloans.co.uk website.

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