

THE CREDIT CARD AWARDS

12th September 2005

TWO IN THREE PEOPLE DON'T KNOW THE INTEREST RATE ON THEIR CREDIT CARDS

New research* from The Credit Card Awards (the UK's first dedicated awards event for the credit card industry) and ICM (the market research company) reveals that over two thirds (68%) of cardholders still do not know the interest rate they pay on their credit cards.

Despite the banking code requiring all credit card providers to list interest rates charged on monthly statements and recent efforts of the credit card industry to improve transparency, through introducing summary boxes on marketing literature and standardising the calculation of Annual Percentage Rates (APRs), the research demonstrates that the majority of consumers are still unable to recall their interest rates.

The research shows that women in particular admit to being unaware of the amount they pay on their credit card balances, with three quarters (75%) not knowing their interest rate compared with 61% of men.

The joint study by The Credit Card Awards and ICM shows that interest rate information is the most important item consumers would like to see included in any credit card statement "Summary Box". When presented with a list of potential criteria for inclusion in their credit card statement Summary Box, consumers cited the length of the interest free period (32%) and interest charging information (22%) as the two most useful pieces of information they would like to see on their credit card statements.

The Summary Box provides a concise summary of the features of each credit card, in a common format used by all card issuers, allowing customers at a glance to compare APRs, interest rates, interest-free periods, minimum repayment levels and all charges for the card. Summary Boxes currently appear on all credit card marketing information including websites. They were first used in late 2003 and all credit card issuers had them in place by the end of March 2004. MPs have currently asked for credit card issuers to consider adapting summary box for use on all monthly card statements.

Other information which consumers stated they would find useful if it appeared in the summary box on their credit card statement included: minimum repayment levels (21%); allocation of payments information i.e. which balances get paid off first e.g. balance transfer, cash, purchases (19%); and default charges such as late payments and exceeding the credit limit (17%). Only 10% of respondents said they would find it useful if their summary box contained information on charges for cash advances, foreign currency, payment protection etc.

Martin Fielding, CEO of Card Partnerships (organisers of The Credit Card Awards) comments: "Our research shows that credit cardholders are still not fully aware of the interest rates they are paying on their cards and they would like to see information on interest rates appear more clearly on their statements. The credit card statement summary box should go some way towards achieving this. The credit card industry has made a real effort to increase transparency in the last year, and The Credit Card Awards will aim to recognise these achievements."

The Credit Card Awards will acknowledge the achievements of companies and individuals operating within the UK credit card industry, providing a platform for the industry to recognise those exhibiting best practice in the industry. The awards will aim to highlight and support initiatives which ultimately improve the customer experience such as providing better service and clearer product information.

Card providers and industry partners who can showcase initiatives in this area are invited to submit entries for the following categories: Most Responsible Customer Acquisition Strategy; Best New Credit Card Product of the Year; Best Credit Card Marketing Campaign; Best Customer Relationship Management (CRM) Strategy; Best Achievement in Customer Service; Best Corporate Social Responsibility Programme of the Year.

The Credit Card Awards are being organised by Card Partnerships with backing from prime sponsors AXA and TSYS. Category sponsors include Assurant Solutions, Deloitte, Domestic & General, First Data International, MasterCard, Royal Mail, Retail Decisions (ReD), Transaction Network Services, and Visa. The winners will be announced at a black-tie Awards Ceremony and Dinner on 7 February 2006 at The London Hilton on Park Lane. The deadline for entries is **17:00 on 21 October 2005**.

For more information, or for details on how to submit an awards entry, visit
www.thecreditcardawards.com

- ENDS -

* ICM interviewed a random sample of 1004 adults aged 18+, by telephone between 26th and 28th August 2005. Interviews were conducted across the country and the results have been weighted to the profile of all adults. ICM is a member of the British Polling Council and abides by its rules. Further information at www.icmresearch.co.uk

For further enquiries, please contact:

Martin Fielding
The Credit Card Awards
Tel: 020 7812 6488

Andrew Adie / Marisa Elliott
Citigate Dewe Rogerson
Tel: 020 7282 1094 / 1055

The Credit Card Awards aim to encourage best practice in the UK credit card industry by recognising the achievements and successes of companies and individuals operating within it. The awards will acknowledge organisations who advocate responsible customer acquisition, clarity of information and who support the community around them. Other award categories will focus on technological developments, product design, innovation and marketing. The inaugural annual awards event, sponsored by AXA and TSYS, will be held on Tuesday 7th February 2006 at the London Hilton on Park Lane.

Awards submissions will be invited from 7th July 2005 and close on 21st October 2005. Details of the awards categories and entry forms are available on the Credit Card Awards web site: www.thecreditcardawards.com