



## Press Release

### **J.D. Power and Associates Reports: Stability in the Credit Card Industry Boosts Customer Satisfaction for a Third Consecutive Year**

#### American Express Ranks Highest in Credit Card Customer Satisfaction for a Sixth Consecutive Year

**WESTLAKE VILLAGE, Calif: 23 August 2012** — After several years of dramatic changes due to legislation, increased fees and limited credit availability, there finally is stabilization in the credit card industry, and the stability is reflected in a third consecutive year of increased credit card customer satisfaction, according to the J.D. Power and Associates 2012 U.S. Credit Card Satisfaction Study<sup>SM</sup> released today.

The study, now in its sixth year, measures [customer satisfaction with credit cards](#) by examining six key factors: interaction; credit card terms; billing and payment process; rewards; benefits and services; and problem resolution.

Overall credit card satisfaction averages 753 on a 1,000-point scale in 2012, up from 731 in 2011 and 714 in 2010. The 39-point improvement over the three-year period raises credit card customer satisfaction to its highest level since the study's inception and is on par with overall retail banking customer satisfaction, which has improved 5 points during the same time frame.

“There has not been a lot of change in the past year in fees, credit limits and card terms—the things that often affect customers in a negative way,” said Jim Miller, senior director of banking services at J.D. Power and Associates. “After a series of dramatic changes, credit card customers are enjoying a time of stability.”

The study finds satisfaction improvements year over year in all factors. Satisfaction with problem resolution has the largest satisfaction increase, a 31-point improvement, while satisfaction with rewards increases by 28 points.

Only 11 percent of customers report experiencing a problem with their credit card, down from 18 percent in 2009. In comparison, 21 percent of customers report a problem with their retail bank,<sup>1</sup> and 37 percent of small business owners report bank-related problems.<sup>2</sup>

Credit card companies have significantly improved handling customer problems year over year. Issuers have reduced the average length of time to resolve problems in 2012 to four days from five days in 2011. In addition, the study finds that credit card representatives are more likely to provide time frames for resolution, and those time frames are more likely to be met in 2012, compared with 2011.

A majority (84%) of credit card customers had their problems resolved in 2012, up from 82 percent in 2011. In addition, 61 percent of customers had their problems resolved in the first contact.

The study finds that satisfaction is significantly higher (801) among customers who have their problem resolved by just one person on the same day they contact their issuer, compared with 693 for people who were transferred and resolution took more than one day. Even if resolution takes more than one day, satisfaction is significantly

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<sup>1</sup> J.D. Power and Associates 2012 U.S. Retail Banking Satisfaction Study<sup>SM</sup>

<sup>2</sup> J.D. Power and Associates 2011 U.S. Small Business Banking Satisfaction Study<sup>SM</sup>

higher (755) when the problem is resolved by just one person, compared with customers who were transferred (743).

“Although credit card companies have been criticized for some of their business practices, when we look at overall customer satisfaction, they’re doing a good job,” said Miller. “It is evident in the 2012 study that credit card companies have really done a great job in handling problems and achieving quicker resolution.”

Among customers who have had a credit card problem, 24 percent have experienced credit card fraud—the most commonly reported problem. More than one-half (52%) of customers who experienced credit card fraud were contacted by their issuer before they even realized they were a victim of fraud. Overall satisfaction among this segment of customers increases to 784, compared with customers who weren’t contacted by their issuer before discovering they were a victim of fraud (724).

“Credit card companies are very proactive in detecting credit card fraud and protecting their customers,” said Miller. “In fact, when their credit card company detects fraud, it actually improves customer satisfaction. It’s still disruptive to the customer, but the customer appreciates that their card company is looking out for their best interests.”

Credit card companies also are doing a good job communicating their rewards programs, as 66 percent of customers in 2012 say they “completely” understand how to earn rewards, and 80 percent of customers say they “completely” understand how to redeem their rewards. In addition, more credit card customers in 2012 than in 2011 are likely to indicate that the value of their rewards programs has increased (18% vs. 15%, respectively) and also report fewer reward expirations (24% vs. 28%, respectively).

Online usage continues to increase, as 78 percent of customers in 2012 indicate they use their issuers’ websites, an increase from 76 percent in 2011. Additionally, customers in 2012 report accessing their issuer’s websites an average of 40 times per year, primarily to conduct simple transactions and to resolve problems.

While only 7 percent of credit card customers use their mobile phone to complete transactions—up from 4 percent in 2011—satisfaction is highest among customers who use mobile means to interact with their issuer, compared with customers who use any of the other interaction channels, including the Internet.

“It’s important for credit card companies to offer mobile phone options, such as downloadable apps and text alerts, as customers who utilize their mobile phone for credit card activities are more satisfied and are significantly more likely to understand their credit card terms,” said Miller. “The challenge for credit card issuers is to make sure customers are aware of the mobile application options they offer.”

“With the amount of traffic on their websites, it is important for credit card companies to provide customers with the necessary tools to track rewards, payments and expenses, and get help through online chat,” said Miller. “Customers who indicate the availability of these online tools also have greater understanding of card terms and rewards, which increases overall satisfaction.”

American Express ranks highest in customer satisfaction for a sixth consecutive year with a score of 807 and performs particularly well in the interaction and rewards factors. Discover Card follows with a score of 799, and performs well in the problem resolution and benefits and services factors. Chase ranks third with 762.

J.D. Power and Associates offers the following tips to consumers regarding selecting a credit card issuer:

- **Pick a card that best fits your habits.** When shopping for a credit card, think about your credit card habits. Do you tend to carry a balance over time (referred to as revolvers) or pay your balance off every month (referred to as transactors)? Revolvers should look for the most competitive credit terms on

balances and payments instead of an attractive rewards program. Transactors, however, should consider rewards programs that make it easy to both earn and redeem rewards.

- **Shop around.** Now that the industry has stabilized, credit card companies are looking to acquire new customers. That means there are a lot of rich reward programs available to potential customers. Visit credit card company websites to get information on rewards programs, services and benefits available. Do not overlook online blogs and independent websites, including [JDPower.com](http://JDPower.com), that objectively evaluate card issuers and program terms and include customer feedback.
- **Be proactive.** If you already have a credit card, read your monthly billing statement. If there is anything on the statement you don't understand, contact your credit card company. Monthly statements also often include information on rewards and benefits, or new offers your card is providing. If you toss the statement without reading it, you may be losing out on award opportunities.
- **Utilize what your credit card offers.** Satisfaction is higher among customers who take full advantage of their card's services and benefits than among those who don't. Most credit card companies offer a number of services, such as online statements and bill payments, mobile apps, due date selection and alerts. Some companies offer other benefits, such as early purchase of concert or event tickets, discounts at hotels and concierge services at airports. If you aren't aware of all the benefits your card offers, visit the issuer's website or call customer service.

The 2012 U.S. Credit Card Satisfaction Study is based on responses from more than 13,726 credit card customers. The study was fielded in June 2012.

#### **About J.D. Power and Associates**

Headquartered in Westlake Village, Calif., J.D. Power and Associates is a global marketing information services company providing performance improvement, social media and customer satisfaction insights and solutions. The company's quality and satisfaction measurements are based on responses from millions of consumers annually. For more information on [car reviews and ratings](#), [car insurance](#), [health insurance](#), [cell phone ratings](#), and more, please visit [JDPower.com](http://JDPower.com). J.D. Power and Associates is a business unit of The McGraw-Hill Companies.

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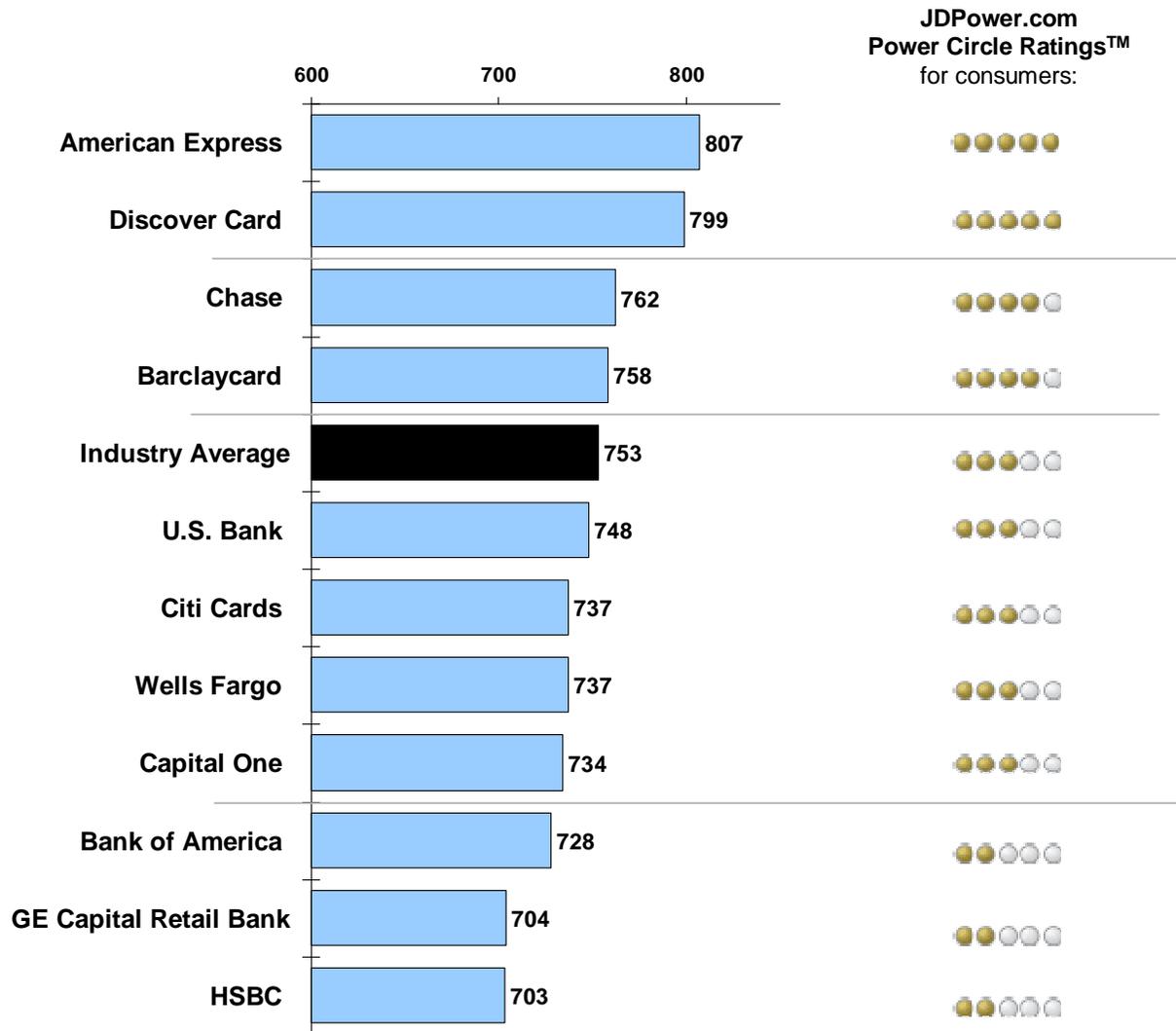
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NOTE: One chart follows.

# J.D. Power and Associates 2012 U.S. Credit Card Satisfaction Study<sup>SM</sup>

## Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)



**Power Circle Ratings Legend**

- Among the best
- Better than most
- About average
- The rest

Source: J.D. Power and Associates 2012 U.S. Credit Card Satisfaction Study

Charts and graphs extracted from this press release must be accompanied by a statement identifying J.D. Power and Associates as the publisher and the J.D. Power and Associates 2012 U.S. Credit Card Satisfaction Study<sup>SM</sup> as the source. Rankings are based on numerical scores, and not necessarily on statistical significance. JDPower.com Power Circle Ratings<sup>TM</sup> are derived from consumer ratings in J.D. Power studies. For more information on Power Circle Ratings, visit [jdpower.com/faqs](http://jdpower.com/faqs). No advertising or other promotional use can be made of the information in this release or J.D. Power and Associates survey results without the express prior written consent of J.D. Power and Associates.