

Credit Card Company Communications Prove Essential to Satisfaction, As Cardholders Unclear on Terms and Conditions, J.D. Power FindsBendigo Bank Ranks Highest in Credit Card Satisfaction in Australia

SYDNEY: 10 September 2018 — Communication from credit card issuers that is clear and simple is key to driving customer satisfaction, according to the J.D. Power 2018 Australia Credit Card Satisfaction Study,SM released today.

The study finds that nearly nine in 10 cardholders (89%) do not fully understand their credit card terms and conditions. Of these, 55% do not understand the terms due to the legal and regulatory language used. Satisfaction is notably higher among those cardholders who receive straightforward and clear communications than among those who do not (746 vs. 633, respectively, on a 1,000-point scale).

“Despite the need to understand what they have signed up for, just over one third of cardholders were proactively contacted by their issuer in the last 12 months,” said **Anthony Chiam, Financial Services Practice Lead at J.D. Power**. “Cardholders not only appreciate when they are communicated in language that is easily understandable, but also prefer to speak with someone directly when they have a problem with their card or card activity. Card issuers therefore need to focus on their outreach to cardholders as well as on their customers’ preferred channels of interaction.”

Cardholder interaction with the call centre has increased from last year (to 39% in 2018 vs. 27% in 2017). Cardholders prefer to speak to a representative when they have an issue with their credit card, with 67% interacting with the call centre for this reason in the past 12 months. Nearly three-fourths (71%) contacted the call centre when they had an issue relating to fraudulent transaction activities and disputed payments.

The study also finds that four in 10 cardholders were offered an increase to their credit limit in the past 12 months. Of these cardholders, 91% say they declined the increase, with 57% of them indicating they did not understand the legal and regulatory language used in the terms and conditions.

The following are additional key findings of the study:

- **Contactless payment popular:** Nearly one-third (31%) of cardholders are using the contactless option with their credit cards, as it is widely accepted with merchants and cardholders find it a convenient way to complete transactions.
- **Card issuers less customer-driven¹:** The percentage of cardholders who perceive their card issuer as customer-driven has declined, compared to last year (47% vs. 51%, respectively).
- **Cardholders perceive rewards program value has decreased:** More than one-fourth (27%) of existing cardholders² perceive that the value of their rewards program has decreased and is significantly lower than 52% who said the same last year (when surcharge reforms were introduced). Of these cardholders, 21% say they are likely to switch to another credit card issuer in the next 12 months.

¹ Issuer to be perceived as customer-driven is defined as having a brand image score of 5+ (on a 7-point scale).

² J.D. Power defines existing cardholders as those holding their credit card for more than two years.

- **Getting more value from credit cards:** Nearly one-fifth (18%) of cardholders perceive they are getting more value from their credit cards, compared to the annual fee paid. These cardholders charge more on their cards per month than those who perceive they get less value (\$1,923 vs. \$1,716, respectively).

Study Rankings

Bendigo Bank ranks highest in credit card satisfaction with an overall score of 773 and performs well in four of six factors. **American Express** ranks second with a score of 753, while **Bankwest** ranks third with a score of 728.

The study measures overall satisfaction in six key factors: interaction (30%); credit card terms (30%); communications (16%); rewards (11%); benefits and services (9%); and key moments (5%)³.

The 2018 Australia Credit Card Satisfaction Study is based on responses from 4,642 credit card customers. The study includes 21 major credit card issuers in the market, 16 of which are rank eligible, and scores are based on cardholder experiences with their primary card. The study was fielded in June and July 2018. In addition to Australia, J.D. Power also conducts credit card studies across key financial markets that include China, Hong Kong, Singapore, Canada and the United States.

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J.D. Power has offices in Singapore, Bangkok, Beijing, Shanghai and Tokyo that conduct customer satisfaction research and provide consulting services in the automotive, information technology and finance industries in the Asia Pacific region. Together, the five offices bring the language of customer satisfaction to consumers and businesses in Australia, China, Hong Kong, India, Indonesia, Japan, Malaysia, Philippines, Singapore, Taiwan, Thailand, the U.A.E. and Vietnam. J.D. Power is a portfolio company of XIO Group, a global alternative investments and private equity firm headquartered in London, and is led by its four founders: Athene Li, Joseph Pacini, Murphy Qiao and Carsten Geyer. Information regarding J.D. Power and its products can be accessed through the internet at asean-oceania.jdpower.com.

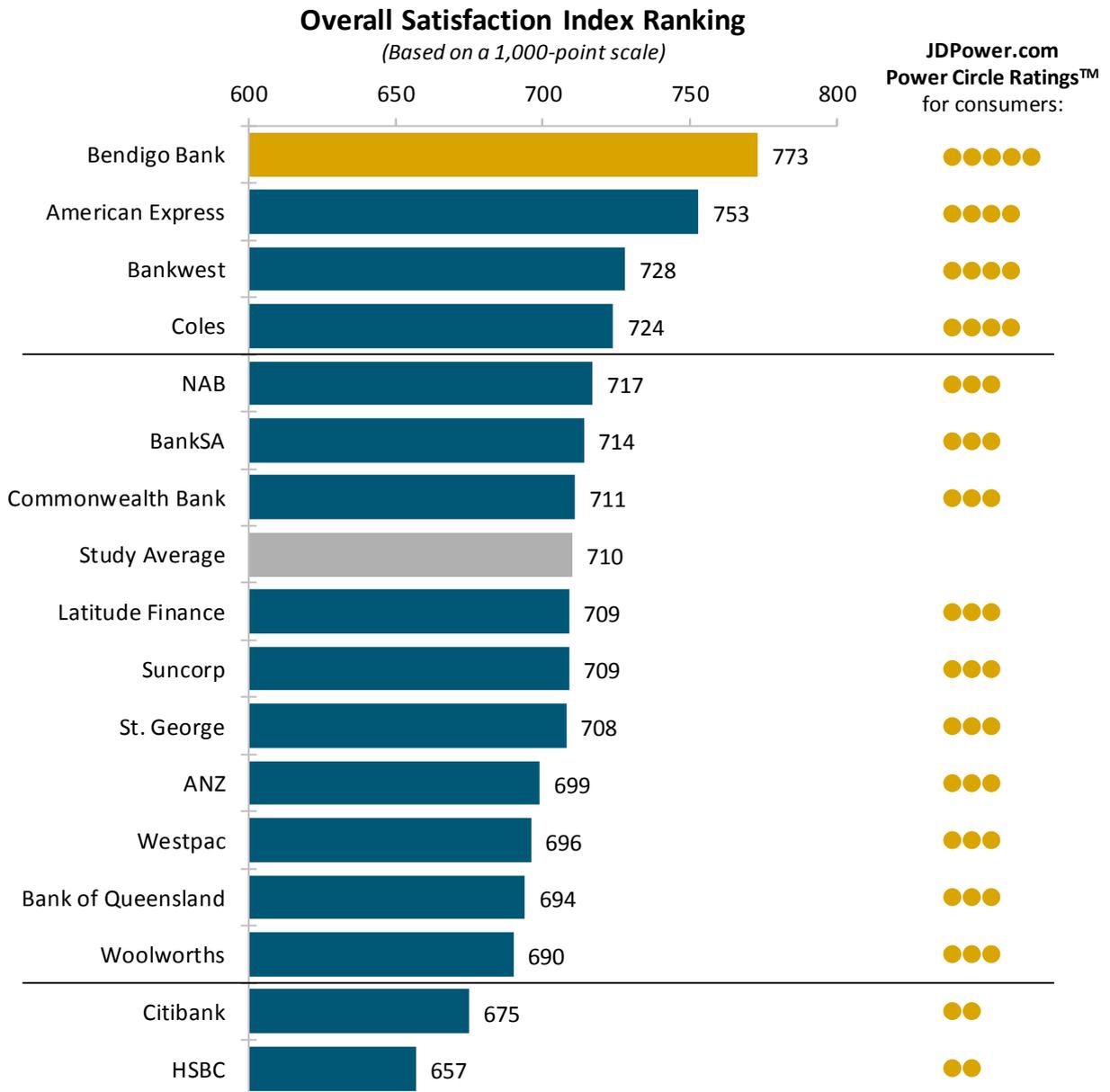
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NOTE: One chart follows

³ Due to rounding, percentages may not always appear to add up to 100%.

J.D. Power 2018 Australia Credit Card Satisfaction StudySM



Note: Included in the study but not ranked due to small or insufficient sample size are Bank of Melbourne, Jetstar, Macquarie Bank, Myer and Virgin Money.

Source: J.D. Power 2018 Australia Credit Card Satisfaction StudySM

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