

Credit card Summary Box

With all the key product information set out in a simple, standard, at-a-glance format, the Summary Box gives customers an easy way to understand and compare the costs of different credit cards.

The Summary Box was created by the credit card industry to make it easier for consumers to understand and compare credit cards. A common standard adhered to by all credit card issuers; the Summary Box presents up front at-a-glance key information such as the Annual Percentage Rate (APR), interest rates, the length of the interest-free period, the minimum repayment and all charges that might be incurred.

Originally introduced in October 2003, the Summary Box is a response to customer demand and part of the credit card industry's drive to improve the transparency of its products for the benefit of consumers. It is available with all marketing and

pre-contract materials - making it simple for anyone thinking of applying for a credit card to compare card features and choose the card that best suits their needs.

The Summary Box has proved popular. Since 2003, it has been upgraded to include new information about when interest is charged for different product features.

In March 2005, the APACS Summary Box guidelines were incorporated into the revised Banking Code, ensuring continued use of the Summary Box across all marketing materials by every credit card issuer in the UK.

The industry has also committed to display a version of the Summary Box on all monthly credit card statements and has designed versions specifically for use with credit card cheques and with pre-paid cards.

Following the OFT's Credit Card Comparisons Report (February 2008), the credit card industry undertook consumer market research to identify how the APACS Summary Box could be further enhanced for consumers. The research has resulted in the use of shading and revised formatting.

Best Practice Guide Summary Box Version 3.0 (February 2009)

1. Background

Through APACS, the credit card industry has developed a set of Summary Box best practice guidelines for credit card issuers to observe when presenting information on their products in advertising or marketing material. These guidelines cover content and order and where the Summary Box should be used.

These guidelines are not mandatory. They provide guidance through example text, and offer suggestions on how the information could be presented to consumers whilst also retaining the flexibility to encompass new benefits and features that may come from product development.

2. Objectives

The primary objective of the Summary Box is to provide the consumer with a consistent and succinct summary of the key features of the credit card that they are considering, and to enable them to compare different credit card products more easily.

The aim is to draw a balance between providing sufficient information to be meaningful without overloading the Summary Box.

3. Content and order, format and presentation

The content and order of the Summary Box are as follows. No row in the table should be omitted and the sequence of information should be the same to help consumers compare credit card products. Whilst overall size, fonts etc are not

specified, presentation should be both clear and legible, and prominence must be given to the typical APR in accordance with the relevant advertising regulations.

Guidance on the content and format (whether information is presented in tables, using bullet points or numbered lists) is provided on page 3.

All integral features of the product, such as introductory rates, should be included in the Summary Box. Information on free-standing or optional product features, such as Payment Protection Insurance or credit card cheques, should not be shown in the Summary Box, but should be provided separately in accordance with any relevant best practice guidelines or Banking Code requirements.

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Summary Box Version 3.0 (February 2009)

SUMMARY BOX

The information contained in this table summarises key product features and is not intended to replace any terms and conditions

APR	
Interest rates	
interest-free period	
Interest charging information	
Allocation of payments	
Minimum repayment	
Credit Limit	
Fees	
Charges	
Default charges	

The Summary Box should generally apply to a single product. If it is used for multiple products, the information should be presented in a way that is clear and readily comprehensible.

To make it easier for consumers to differentiate between sections of the Summary Box, the use of colour and/or shading is encouraged. It is possible that the colours coincide with the issuer's corporate colours. However, it is not possible to be prescriptive on these points. An example, based on consumer research, is provided on page 6.

Where the Summary Box is to be displayed on the internet, due to internet conventions and potential restrictions on

how information is displayed e.g. to meet disability requirements, it may not be possible to adhere exactly to the format and presentation guidance provided in these guidelines.

4. Usage

The Summary Box should appear prominently on or within any application form/pack. This will typically cover direct mail; leaflets; inserts etc, but not media such as television, radio, cinema and outdoor advertising.

For internet applications a click-through to a page containing the Summary Box should be highlighted prominently.

Where an application is made by

telephone, a Summary Box should be issued with the agreement that the customer is asked to sign.

Card issuers are not precluded from using the Summary Box in any advertising media they choose. The Summary Box may also be used in pre-contract information, or at any point post-contract, provided that it is used in compliance with the relevant regulations and including constraints of the non-distance sales regulations.

5. Risk-based pricing

Where risk based pricing is used a range of rates must be shown in the Summary Box in addition to the typical APR. Calculation and presentation of 'from' and 'to' rates must be in accordance with the relevant advertising regulations.

6. Timing

Card issuers will implement version 3.0 of the Summary Box by 30 June 2009.

7. Compliance

Issuers have agreed to apply the guidelines in the spirit in which they have been developed.

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SUMMARY BOX

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	Comments	Example Text			
APR	<ul style="list-style-type: none"> In bullet format. The typical APR must be more prominent than, and at least 1.5 times the size of, other financial information in accordance with the relevant advertising regulations. Where risk-based pricing is used a range of rates must be shown in addition to the typical APR. Calculation and presentation of 'from' and 'to' rates must be in accordance with the advertising regulations. 'From' and 'to' rates should also be shown if more than one product is featured and the APRs for these differ. 	<ul style="list-style-type: none"> Typical x.x% APR variable Rates from x.x% APR to x.x% APR, depending on individual circumstances 			
Interest rates	<ul style="list-style-type: none"> In tabular form. Rates for different product features must be shown (including any introductory rates). These features are to be presented in this order: purchases; cash advances; balance transfers; (where applicable). The duration of any introductory rate, and any conditions applicable to any rate, must also be included. Ideally, monthly interest rates should be expressed by up to three decimal points, and introductory and annual interest rates expressed to one decimal point. Where a monthly interest rate is introductory or promotional that reverts to a standard or other rate, this condition is to be specified. 		Introductory Rate	Monthly Rate	Annual Rate
		Purchases	x.x% p.a. for y months or not applicable	x.xxx% p.m etc.	x.x% p.a.
		Cash advance	x.x% p.a. or not applicable	x.xxx% p.m etc.	x.x% p.a.
		Balance transfer	x.x% p.a. for y months or not applicable	x.xxx% p.m etc.	x.x% p.a.
		Other features (if appropriate)			
Plus detail on introductory period duration					
Interest-free period	<ul style="list-style-type: none"> In bullet format. Expressed in maximum days, for those types of transaction for which an interest-free period applies. If there is no interest-free period this should be stated. If there are conditions associated with any interest-free period these should also be shown here. 	<ul style="list-style-type: none"> Maximum 55 days for purchases if you pay your balance in full and on time. - OR - No interest-free period on cash advances or balance transfers. - OR - This is subject to any interest-free promotional offer. 			
Interest charging information	<ul style="list-style-type: none"> In tabular format. Information on the dates between which interest is charged for the different product features i.e. purchases, cash advances and balance transfers (where applicable). NB: Where residual or trailing interest may be part of a product, this should be covered in this section. 	You will not pay interest on new purchases if you pay your balance in full and on time. Otherwise, the period over which interest is charged will be as follows:			
			From	Until	
		Purchases	transaction date	paid in full	
		Cash advance	transaction date	paid in full	
		Balance transfers	date debited to your account	paid in full	

Continued...

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SUMMARY BOX – (continued)

	Comments	Example Text	
Allocation of payments	<ul style="list-style-type: none"> Succinct description of the order in which payments will be allocated to the account, in numbered or bullet format. It is acceptable, in addition, to refer the consumer to a more detailed description in the full terms and conditions by means of a footnote. The order can be presented with the transaction attracting the lowest interest rate first, or from highest to lowest as long as this is specified. Consumers may also be referred to the terms and conditions. 	<p>If you do not pay off your balance in full, payments we receive will be applied in the following order of lowest first to highest (transactions may attract different interest rates):</p> <ol style="list-style-type: none"> 1. Lower rate, promotional or balance transfer offers p.a. 2. Cash advances 3. Purchases <p>For further details, please refer to your credit card terms and conditions.</p> <p>- OR -</p> <p>If you do not pay off your balance in full, payments we receive are applied to the lowest / highest interest bearing transactions first. For further details, please refer to your credit card terms and conditions.</p>	
Minimum repayment	<ul style="list-style-type: none"> In bullet point format, with a succinct description. Whilst it is not a requirement, issuers are not precluded from adding the minimum repayment health warning in this section. 	<ul style="list-style-type: none"> xx% or minimum £x.xx. “If you only make the minimum payment it will take longer and cost more to clear your balance.” 	
Credit limit	<ul style="list-style-type: none"> In tabular format. 	Minimum credit limit	£x.
		Maximum credit limit	£x (subject to status)
Fees	<ul style="list-style-type: none"> In bullet point format. Any fee levied in order to hold the account, whether annual, monthly or other should be specified. If there is no fee, then this box should state “no annual fee” or “none” or “not applicable”. If there are conditions associated with such fees then these should be shown here also. 	<ul style="list-style-type: none"> £15.00 annual fee. This fee will be waived if your annual expenditure exceeds £2,000. - OR - No annual fee <p>For further details, please refer to your credit card terms and conditions.</p>	

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Summary Box Version 3.0 (February 2009)

SUMMARY BOX – (continued)

	Comments	Example Text	
Charges	<ul style="list-style-type: none"> In tabular format. In order to be future-proofed, it is not possible to provide a definitive list of those charges to be covered here, but it should, for example, cover the likes of: cash advance fees; balance transfer fees; foreign currency transaction charges and copy statement fees etc regarded by the issuer as being core to the product. 	Cash advances	x.x% handling fee, minimum £x.xx etc.
		Balance transfers	x.x% handling fee, minimum £x.xx etc.
		Foreign currency transactions	x.x% handling fee, minimum £x.xx etc.
		Copies of statements	£x for an additional copy of a statement
		For further details, please refer to your credit card terms and conditions.	
Default charges	<ul style="list-style-type: none"> In tabular format. Again, in order to be future-proofed it is not possible to provide a definitive list of those charges to be covered here, but it should cover the likes of, for example, late payment fees, over-limit fees and returned payment fees etc. 	Late payment fee - OR - if your payment is late	£xx
		Over-limit fee - OR - if you exceed your credit limit	£xx
		Returned payment fee - OR - if your payment fails	£xx etc.
	<ul style="list-style-type: none"> Where the same fee applies for a number of different items these can be grouped and specified together. 	Late payment fee or returned payment fee	£xx

Example Summary Box presentation

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SUMMARY BOX

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*The far left hand column does not need to be shaded. Shading can be used, however, in line with corporate branding.

APR	Typical 17.9% APR (variable)			
Interest rates		Introductory Rate	Monthly Rate	Annual Rate
	Purchases	0% for 6 months from account opening	1.385%	17.9%
	Cash advances	N/A	2.075%	27.9%
	Balance transfers	0% for 13 months from account opening on balance transfers in the first 3 months	1.385%	17.9%
Interest-free period	<ul style="list-style-type: none"> • Maximum 56 days on new purchases if you pay your balance in full and on time each month, during the first six months. • No interest-free period on balance transfers or cash withdrawals. • This is subject to any interest-free promotional offer. 			
Interest charging information	You will not pay interest on new purchases if you pay your balance in full and on time. Otherwise, the period over which interest is charged is as follows:			
		From	Until	
	Purchases	transaction date	paid in full	
	Cash advance	transaction date	paid in full	
Balance transfers	date debited to your account	paid in full		
Allocation of payment	<p>Your payment is allocated in the following order of lowest first to highest (transactions may attract different interest rates):</p> <ol style="list-style-type: none"> 1. Promotional balance transfers and fees 2. Promotional purchases 3. Interest fees and charges 4. Standard rate purchases and balance transfers 5. Cash balances <p>For further details, please refer to your credit card terms and conditions.</p>			
Minimum repayment	• 2.0% or £5.00, whichever is greater.			
Credit limit	Minimum credit limit	£300		
	Maximum credit limit	Subject to status.		
Fees	No annual fee			
Charges	Cash advances	2.0% handling fee, minimum £2.00		
	Balance transfers	2.0% handling fee, minimum £2.00		
	Credit card cheques	2.0% handling fee, minimum £2.00		
	Foreign currency transactions	2.75% exchange fee on non-sterling transactions		
	Copies of statements	£3.00 for an additional copy of a statement		
	Copies of transactions	£5.00 for each copy of a record of a transaction		
Default charges	Late payment fee	£12.00		
	Over-limit fee	£12.00		
	Returned payment fee	£12.00		