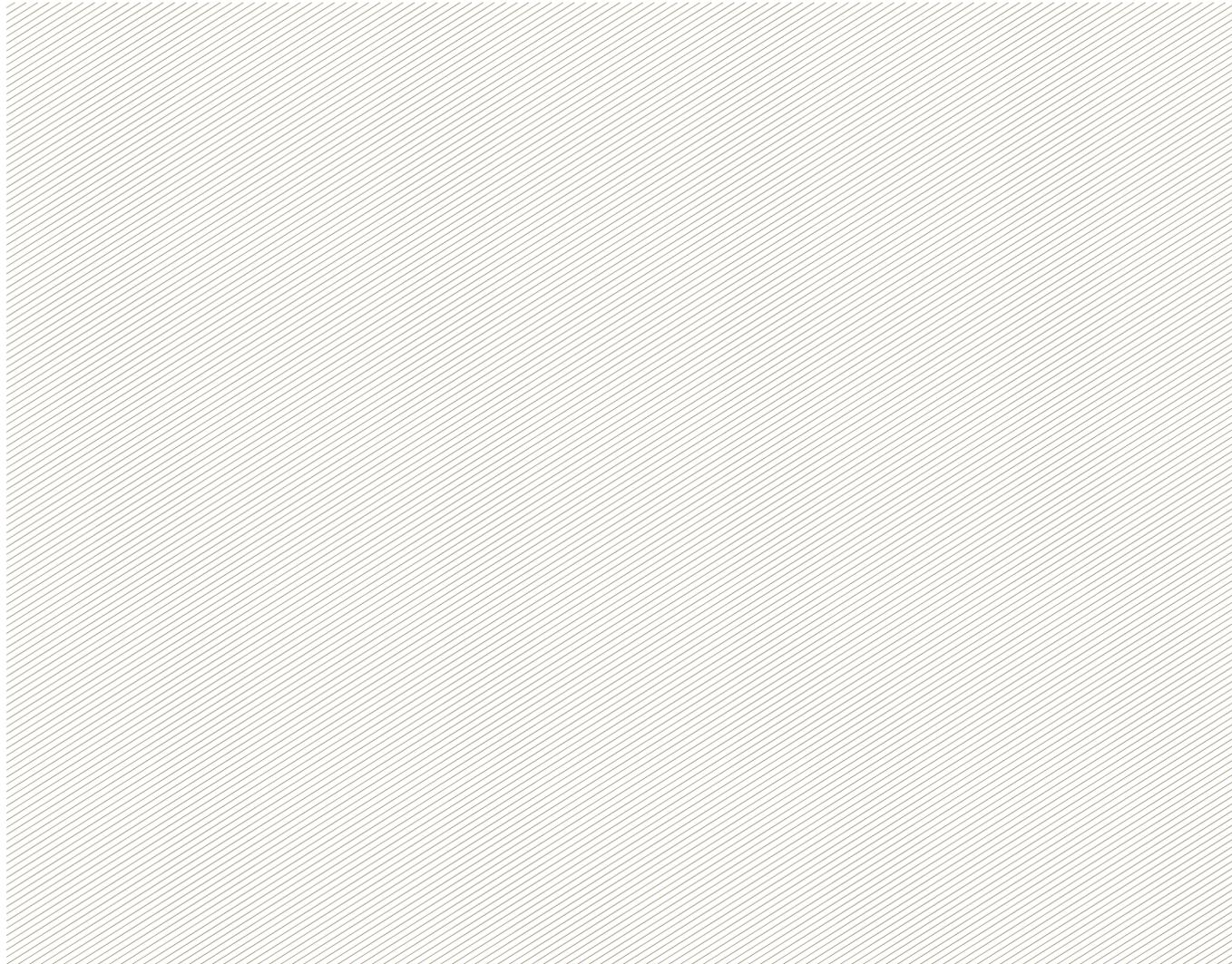


Credit card Summary Box

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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 upfront 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 UK Cards Association Summary Box guidelines were incorporated into the Lending 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.

The Summary Box Guidelines have been revised on a number of occasions.

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

In 2012, in response to a super-complaint concerning travel money the industry voluntarily agreed to include enhanced information on foreign transaction charges

2.1 Background

Through The UK Cards Association, 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.

2.2 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.

2.3 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. The format is more prescriptive in relation to foreign usage as presentation has been used to reinforce the cumulative nature of certain charges. The industry agreed terminology set out in section 5 of this document must be used, but only in relation to the content of the section dealing with foreign usage . Guidance on the content and format (whether information is presented in tables, using bullet points or numbered lists) is provided on page 4.

All integral features of the product, such as introductory rates, should be included in the Summary Box. Information on freestanding 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 Lending Code requirements.

SUMMARY BOX

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

APR	
Interest rate	
Interest-free period	
Interest charging information	
Allocation of payments	
Minimum repayment	
Credit limit	
Fees	
Charges	
Foreign usage	

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 7.

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.

2.4 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.

2.5 Risk-based pricing

Where risk based pricing is used a range of rates must be shown in the Summary Box in addition to the representative APR.

2.6 Effective Date

Card issuers will implement this revised statement of the Summary Box by December 2012.

2.7 Compliance

Issuers have agreed to apply the guidelines in the spirit in which they have been developed. Please be aware that all guidelines are advisory (rather than mandatory). The guidelines set out best practice to encourage a consistent approach across the industry. They are not legally binding. Any failure to follow them does not give rise to any right of action.

SUMMARY BOX

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

	Comments	Example Text			
APR	<p>ALL AGREEMENTS</p> <p>In bullet format.</p> <ul style="list-style-type: none"> • ‘From’ and ‘to’ rates should also be shown if more than one product is featured and the APRs for these differ. • The representative APR must be given greater prominence than other financial information, in accordance with the advertising regulations. • Where risk-based pricing is used a range of rates must be shown in addition to the representative APR. <p>Please note that lenders cannot implement the new Advertisements Regulations before 01 February 2011.</p>	<ul style="list-style-type: none"> • Representative x.x% APR variable <p>Rates from x.x% APR to x.x% APR, depending on individual circumstances</p>			
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 withdrawals; 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 withdrawal/ 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 withdrawals or balance transfers. - OR - • This is subject to any interest-free promotional offer. 			

	Comments	Example Text
Interest charging information	<ul style="list-style-type: none"> • Succinct description of when interest is charged distinguishing between transaction types. • Information on the dates between which interest is charged for the different product features i.e. purchases, cash withdrawal and balance transfers (where applicable). • NB: Where residual or trailing interest may be part of a product, this should be covered in this section. 	<p>You will not pay interest on new purchases if you pay your balance in full and on time.</p>
Allocation of payments	<ul style="list-style-type: none"> • Succinct description of the order in which payments will be allocated to the account. • Where numbered or bullet format, the order will be presented with the transaction attracting the highest interest rate first. 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 highest to lowest (transactions may attract different interest rates):</p> <ol style="list-style-type: none"> 1. Cash withdrawal 2. Purchases 3. Lower rate, promotional or balance transfer offers <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 highest interest rate 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. 	<p>xx% or minimum £x.xx.</p> <p>- OR -</p> <ul style="list-style-type: none"> • All default fees / charges, annual fees that may be levied and interest plus 1% of the principal • “If you only make the minimum payment it will take longer and cost more to clear your balance.”

	Comment	Example Text	
Credit limit	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. <p>- OR -</p> <ul style="list-style-type: none"> No annual fee <p>For further details, please refer to your credit card terms and conditions.</p>	
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 fees; balance transfer fees; and copy statement fees etc. regarded by the issuer as being core to the product. 	Cash Fee ¹	x.x% handling fee, minimum £x.xx etc.
		Balance transfers	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.	
Foreign Usage	<ul style="list-style-type: none"> Agreed industry common terminology as set on Pg. 8 should be used Use of descriptors (Non-Sterling, & Foreign) may be omitted in accordance with the common terminology requirements The scheme who provides the exchange rate may be named or the generic term Payment Scheme Exchange Rate used. Must be set out in the same order as specified on Pg 7. Particular fees may be excluded from the list if they do not apply. Text “One or more of the following may apply” is a mandatory component All current and future fees must be shown 	See specified layout on Pg .7 of this document	
Default fees	Can either be in tabular format or a descriptive statement e.g. : If your payment is late, if you exceed your credit limit or your payment fails	£12	

¹ Should be shown in this section if charge applies to domestic transactions.

The information contained in this table summarises key product features and is not intended to replace any terms and conditions. The far left hand column does not need to be shaded. Shading can be used, however, in line with corporate branding.

APR	Representative 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 withdrawals	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 from the date that the transaction is posted to your account until repayment received.			
Allocation of payments	<p>Your payment is allocated in the following order of highest first to lowest (transactions may attract different interest rates):</p> <ol style="list-style-type: none"> Cash withdrawals Purchases Lower rate promotional balance transfers and fees <p>For further details, please refer to your credit card terms and conditions.</p>			
Minimum repayment	All default fees / charges, annual fees that may be levied and interest plus 1% of the principal			
Credit limit	Minimum credit limit		£300	
	Maximum credit limit		Subject to status	
Fees	No annual fee			
Charges	Cash Fee		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	
	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	
Foreign Usage	Payment Scheme Exchange Rate		Rates can be found at http://www.visaeurope.com/en//exchange rates	
	One or more of the following may apply :			
	Exchange Rate Adjustment		0.15% added to the Visa Exchange Rate	
	Payment Scheme Exchange Fee		0.25% added by Visa for transactions outside the EU	
	Non-Sterling Transaction Fee		2.75% of transaction	
	(Non-Sterling) Purchase Fee		£1.50 of transaction	
	(Non-Sterling) Cash Fee		2% handling fee, minimum £2.00	
	Foreign Purchase Fee		£1 per transaction	
Foreign Cash Fee		£1 per transaction		
Default fees	Late payment fee		£12.00	
	Over-limit fee		£12.00	
	Returned payment fee		£12.00	

Term	Definition
American Express/ MasterCard/ Visa / Payment Scheme Exchange Rate	The base exchange rate used in the settlement of the transaction between issuer and scheme. Issuers may refer to the more generic term where the communication covers multiple scheme card payment products.
Exchange Rate Adjustment	The margin added, by certain issuers, to the scheme rate in order to arrive at the exchange rate quoted as the reference exchange rate to the cardholder.
American Express/ MasterCard/ Visa / Payment Scheme Exchange Fee	Any payment network fee applied to some or all non-sterling or foreign transactions that issuers recover directly from cardholders.
Non-Sterling Transaction Fee	A fee applied to all types of non-sterling transactions. The descriptor Non-Sterling may be dropped if the fee also applies to domestic transactions.
Non-Sterling Purchase Fee	An additional fee applied to certain retail transactions. The descriptor Non-Sterling may be dropped if the fee also applies to domestic transactions.
Non-Sterling Cash Fee	An additional fee applied to certain cash withdrawals. The descriptor Non-Sterling may be dropped if the fee also applies to domestic transactions. The fee may apply in some circumstances to quasi-cash transactions e.g. gambling.
Foreign Purchase Fee	An additional fee applied to Sterling retail transactions made abroad e.g. DCC. Where a purchase fee is applied irrespective of whether it is a DCC transaction or a Non-
Foreign Cash Fee	An additional fee applied to Sterling cash withdrawals transactions made abroad e.g. DCC. The fee may apply in some circumstances to quasi-cash transactions e.g. gambling. Where a cash fee is applied irrespective of whether it is a DCC transaction or a Non-Sterling transaction this term may be used.