

The UK Cards Association

The UK Cards Association wants action by government to help put the customer in greater control of their finances and card payments:

Revise the way in which **credit card APRs** are calculated to ensure that they are meaningful for customers

1

Ensure that ambiguous points of law that are being exploited by **Claims Management Companies (CMCs)** to customers' disadvantage are clarified and that the regulation of CMCs is robust

2

Take action so that merchants **do not profit excessively** from surcharges for paying by plastic card

3

Simplify consumer credit law so that the information that lenders are required to provide to customers is meaningful and easy to understand

4

Key Facts and Figures

- **43 million UK adults** hold a debit card and **30 million** a credit card
- The average cardholder has **1.8 debit cards** and **1.9 credit cards**
- **950,000 UK merchants** accept plastic cards at more than **1.2 million terminals** and are increasingly reliant upon cards as consumers' preferred way to pay
- The amount of personal spending on **debit cards** will overtake the amount of personal spending in cash during 2010
- More than **60%** of credit card holders **pay off their balance in full** each month
- The amount owed on credit cards is falling and is now **£54.5 billion** (down from a peak of £59.0 billion in 2005) now accounting for just **3.7%** of all lending to individuals
- As of February 2010 **the average credit card APR was 16.5%**, having fallen from **23%** in 1995 and reaching an all-time low of **14.7%** in 2008
- By the end of the year the industry will have implemented changes that will ensure:
 - that **the highest interest debt is paid off first**; and
 - that customers will be given **improved notification if their credit limit or interest rate changes**, including the ability to opt out of a price increase and pay down the existing debt at the existing rate.

For more information contact The UK Cards Association at support@ukcards.org.uk