

# NEWS RELEASE

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## CREDIT CARD HOLDERS TO GET A DIFFERENT KIND OF STATEMENT HITTING THEIR DOORMAT THIS YEAR

The nation's 31 million credit cardholders can expect to start seeing a new type of credit card statement land on their doormat for the first time. The new annual statement, which has been developed by The UK Cards Association in partnership with the Department for Business, Innovation and Skills, will help customers see at a glance how they have used their credit card over the previous 12 months, as well as any fees and costs incurred.

Some credit card companies have already started sending out the new statements - card customers will most likely receive their first annual statement on the anniversary of when the account was opened.

Melanie Johnson, Chair of The UK Cards Association says:

*"Annual credit card statements will help empower customers by giving a clear view of how they've each managed their plastic over the past year. By clearly setting out costs and charges this industry initiative could help customers get a better deal either by being more savvy about how they use their current card, or by changing to another account that's a better fit."*

To help customers compare cards, all the new annual statements contain the same information. They all specify the time period covered and include total spending, the amount repaid and any interest fees and charges incurred. The statement also shows exactly how the card has been used during the year - broken down by point-of-sale spending, cash advances, balance transfers, and the applicable interest fees and charges for each of these types of transaction. Information will also be provided on charges for foreign transactions.

The new annual credit card statement comes a year after the credit card industry introduced a wide range of benefits<sup>1</sup> to give cardholders more control over their accounts. It complements the facility offered by most credit cards (over 85% of cards in issue) for the cardholder to download transaction information. The industry will review the effectiveness of annual statements with consumers and their impact on behaviour over the next year.

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For further information contact The UK Cards Association press office on 020 3217 8441/ 8234 or [press@ukpayments.org.uk](mailto:press@ukpayments.org.uk).

### Notes to Editors

1) From January 2011: the most expensive debt on a credit card is always paid off first; on new credit card accounts, even if only a minimum repayment is made, the balance is always reduced; the issuance of 'unsolicited' credit card cheques stopped; clearer communication is given if a credit limit increase is offered with a 30 day period in which to turn it down; clearer communication if the interest rate on a card is to be increased; more flexibility to enable customers to make regular partial repayments above the minimum and below the full balance; and alerts for any customers who persistently only make minimum repayments.

The Department for Business, Innovation and Skills (BIS) published its consultation paper in October 2009 entitled "*A Better Deal for Consumers: Review of the Regulation of Credit and Store Cards: A Consultation*". The response made by the UK Cards Association contained an unprecedented amount of detailed evidence on how credit card companies manage credit card accounts and the outcomes that result for cardholders. This assisted the industry reaching agreement with BIS on delivering a set of measures that benefit customers. These benefits, introduced for customers from January 2011, represented a substantial cost to the industry estimated to be in the region of £600 million over the first two years.

As part of this process, and as an on-going commitment to improve transparency and to simplify customer information, the industry agreed work with consumer groups and government to develop an annual credit card statement for which will give consumers clear information about how much it has cost them to use their card over the last year.

All active personal cardholders will receive an ACCS, although it is designed with the needs of those paying interest and/or paying fees on their credit cards at top of mind. A consumer will need to have held their card for at least twelve months before receiving an ACCS (in order for enough data to have accumulated). An ACCS should be provided to each account at the end of every twelve month period. For practical purposes this means issuance is spread across the year.

The UK Cards Association is the leading trade association for the card payments industry in the UK. With a membership that includes all major credit, debit and charge card issuers, and card payment acquirers, the Association contributes to the development of legislative and regulatory frameworks; develops industry best practice; safeguards the integrity of card payments by tackling card fraud; develops industry standards; and co-ordinates other industry-wide initiatives across matters relating to both card payments and the provision of credit.

[www.theukcardsassociation.org.uk](http://www.theukcardsassociation.org.uk)

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