

Cardholder statement Summary Box

The introduction of a standardised Summary Box of key product features on credit card statements makes credit cards easier to understand and promotes competition

The Summary Box gives consumers a simple way to compare credit card products – presenting key product features in an easy to understand format. Since October 2003 APACS members have published a Summary Box with all marketing and pre-contract material, making it easy for customers to understand how credit cards work and to choose a card that best suits their needs.

In March 2005 credit card issuers took the next step in improving the transparency of products and increasing competition by agreeing to provide a Summary Box on monthly credit card statements by 31 December 2005.

With this innovation consumers will be better able to check the features of the credit card they hold, are kept informed of

a card's features on a monthly basis, and can make an informed judgement on whether another card would be better suited to their needs. The following guidelines outline the commitment members have made to include the Summary Box on statements.

The industry intends to include these guidelines in the next version of the Banking Code, due in 2008.

Cardholder Statement Version of Summary Box Version 1.0 (March 2005)

1. Background

Through APACS, the credit card industry has developed a set of best practice guidelines for a statement version of the Summary Box for card issuers to observe when presenting the key product features of their customer's card on his or her monthly statement. These guidelines cover discrete areas including content and order and where the table should be displayed.

Card issuers will adopt a minimum-plus approach, presenting at the very least the information set out within the table below, with issuers having the discretion to display the existing pre-contract version in full. Any issuer not using the full pre-contract version will ensure that the omitted dynamic information e.g. interest rates and credit limit etc. is shown elsewhere on the statement. In line with Banking Code requirements additional information e.g. estimated monthly interest and details on expiry of promotional rates will also be shown on statements.

2. Objectives

The primary objective of these guidelines is to remind cardholders of the key features of their credit card to allow them to compare their current card with others should they wish to review whether their existing product continues to best suit their needs.

3. Content and order

The content and order of the statement version of the Summary Box are set out below. No row in the table should be omitted and the sequence of information should be the same. Whilst overall size, fonts etc. are not specified, presentation should be both clear and legible.

A generic name for this variation of the Summary Box has not been specified and it will be left to card issuers to decide how they wish it to be known. Some issuers will simply name it the Summary Box with others opting for suitable alternatives e.g. "Useful Information". Whilst the title heading below has been included for illustration purposes only, issuers adopting this 'slimmed down' version must reproduce the text accompanying the heading in full.

SUMMARY BOX – Cardholder Statement Version

The information contained in this table summarises the key product features not displayed elsewhere on the statement and is not intended to replace any terms and conditions

Interest free period	
Interest charging information	
Allocation of payments	
Minimum repayment	
Fees	
Charges	
Default charges	

Guidance on the content of the second column in the above table is provided in Appendix 1.

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4. Usage

The table of information should appear prominently either on the front or reverse of the cardholder's monthly statement.

5. Timing

Card issuers will implement version 1.0 of

this statement variation of the Summary Box by 31 December 2005.

6. Compliance

Issuers are expected to apply the guidelines in the spirit in which they have been developed. The table of information displayed will cover

the key features of the credit card to which the statement refers.

It is the intention that these guidelines will be incorporated into the next revision of the Banking Code.

Appendix 1.

SUMMARY BOX – Cardholder Statement Version

The information contained in this table summarises the key product features not displayed elsewhere on the statement and is not intended to replace any terms and conditions

	Comments	Example Text
Interest free period	<ul style="list-style-type: none"> Expressed in maximum days, for those types of transaction for which an interest free period applies. If there are conditions associated with the interest free period these should be shown here. 	<p>Maximum 55 days for purchases if you pay your balance in full and on time.</p> <p>There is no interest free period on cash advances or balance transfers.</p>
Interest charging information	<ul style="list-style-type: none"> Expressed in either tabular or textual format, information on the dates between which interest is charged for different product features e.g. purchases, cash advances and balance transfers (where applicable) must be shown. 	<p>The periods over which interest is charged are as follows:</p> <p>Purchases – If the balance is not repaid in full, interest on the outstanding balance is charged from the date of the transaction until payment is posted to the account.</p> <p>Cash advances – interest is charged from the date of the transaction until payment is received.</p> <p>Balance transfers – interest is charged from the date of the transaction until payment is received. Interest free period only applies to the introductory period.</p>
Allocation of payments	<ul style="list-style-type: none"> Succinct description of the order in which payments will be allocated to the account. It is acceptable to refer the consumer to the more detailed description in the full terms and conditions by means of a footnote. 	<p>If you do not pay off your balance in full we will allocate your payments to balances with a 0% APR before balances with higher APRs*.</p> <p>-OR-</p> <p>If you do not pay off your balance in full payments we receive are applied first towards lower rate, promotional or balance transfer offers before cash advances or purchases*.</p> <p>-OR-</p> <p>If you do not pay off your balance in full when you make a payment it will be used to pay off any special offer, balance transfer or promotional offers before any cash withdrawals or standard rate purchases*.</p>

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SUMMARY BOX – Cardholder Statement Version (continued)

	Comments	Example Text
Minimum repayment	<ul style="list-style-type: none"> Succinct description. 	xx% or minimum £x.xx.
Fees	<ul style="list-style-type: none"> Any fee levied in order to have the account, whether annual, monthly or other. If none, then this box should state "none" or "not applicable". If there are conditions associated with such fees then these should be shown. 	<p>No annual fee.</p> <p>-OR-</p> <p>£15.00 annual fee. This fee will be waived if your annual expenditure exceeds £2,000.</p>
Charges	<ul style="list-style-type: none"> 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 cash advance fees (both domestic and overseas), Payment Protection Insurance (if mandatory), foreign exchange charges, duplicate statement fee etc. Either continuous form or tabular form are acceptable formats. 	Cash advances subject to a handling fee of x.x% subject to a minimum of £x.xx etc.
Default charges	<ul style="list-style-type: none"> 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 late payment fees, over limit fees, non-activity fees etc. Either continuous form or tabular form are acceptable formats. 	Late payment fee £xx; over-limit fee £xx etc.

* For full information on allocation of payments see section x.x. of the terms and conditions.