

Summary Box

Summary Box Version 1.0 (July 2007)

Background

APACS members who issue pre-paid cards and some other issuers have developed a set of best practice guidelines in respect of the use of the Summary Box for issuers to observe when presenting information on (open loop)¹ pre-paid card products. In developing a Summary Box approach, the industry recognises the need for transparency and clarity in customer dealings and provision of a method by which this can be demonstrated and consumers can, with relative ease, compare/contrast product offerings.

Objectives

The primary purpose of the Summary Box is to provide the consumer with a consistent and succinct summary of the key features and fees associated with the pre-paid card they are considering. This will enable consumers to compare different product offerings and make an informed decision as to the product that best meets their requirements.

As with any Summary Box approach adopted by the industry, the aim must be to draw a balance between the provision of sufficient information to ensure that the consumer is aware of the nature and, where appropriate, limitations of any product they are considering without replicating the product's terms and conditions.

This Summary Box proposal adopts the following principles:

- All fees should be included.
- Other key product information should be shown.
- Charges should be shown in the currency in which they will be applied to the available balance of the card.

The Summary Box does not replace any regulatory or legislative requirements that may apply.

Content and Order

The content and order of the Summary Box should be considered as follows. The nature of the pre-paid product is such that issuers believe there to be three distinct phases in a pre-paid card's 'life'. These are reflected in the order in which items appear in the proposed Summary Box and represent the application for/purchase of the card; the on-going costs associated with the product; and, information associated with the 'closure' of the card.

Given the extensive range of charges associated with pre-paid cards and the fact that not all will apply to each product, as a minimum, issuers will display only those rows where a charge is applied. Where no charge is applicable or the facility is free, there is no requirement to include the row. This does not preclude issuers from highlighting the fact that such services are free or do not apply (although attention is drawn to the need for relative brevity of the Summary Box).

Whilst it is not appropriate or practical to 'mandate' size, fonts, etc. issuers should ensure that presentation is clear, legible and all elements are given equal prominence.

Usage

The primary function of the pre-paid cards Summary Box is for use in marketing material pre-contract and immediately upon application/purchase i.e. to accompany terms and conditions as a high-level summary of key product features. Issuers may choose to adopt a revised version of the Summary Box for use with, for example, online

statements where some, but not all, of the information may continue to be of relevance for the consumer.

It is recognised that where pre-paid cards are sold in a retail environment, external space on sealed packaging may be restricted. In such cases, key details must be prominently displayed (i.e. the purchase fee associated with the card and any usage restrictions) and the Summary Box information should be available for the customer if requested. The method of provision (e.g. downloadable from the retail environment, pre-printed leaflet etc.), will be at the discretion of the card issuer and will be determined by the environment in which the product is being sold.

Card issuers are not precluded from using the Summary Box in any advertising media they choose or at any point post-contract.

Timing

The pre-paid card issuers will implement the agreed version of the pre-paid Summary Box no later than 31 December 2007.

Compliance

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

¹'Open Loop' refers to cards that can be used at outlets displaying the relevant cards scheme logos, Visa or MasterCard.

continued . . .

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SUMMARY BOX – The information contained in this table summarises key product features and is not intended to replace any terms and conditions. Note: the ‘comments’ column would not appear in the Summary Box and is shown to indicate the type of content that might reasonably be expected in a published version.

	Comments	Example Text
On Application		
Card Issue Fee	<ul style="list-style-type: none"> This section shows fees associated with card issuance 	£x
Additional Card Fee	<ul style="list-style-type: none"> The cost of any additional cards issued 	£x additional cardholder fee
Other initial fees	<ul style="list-style-type: none"> To include fees for ‘services’ such as ‘data searches’, PIN issue and PIN change 	PIN issue £x PIN change request £x
Limits	<ul style="list-style-type: none"> A statement on the minimum/maximum initial load amount 	Minimum amount of initial load £x Maximum amount of initial load £x
Usage Restrictions	<ul style="list-style-type: none"> An indication of whether any usage restrictions apply and, if so, where details can be found 	Specific requirements apply where this card is used in hotels and restaurants. For full details please refer to section x.x of the Terms and Conditions
On-going Features		
Replacement Fee	<ul style="list-style-type: none"> To include any charges upon request for a replacement card 	Lost/stolen card replacement fee £x
Transaction Fees	<ul style="list-style-type: none"> In order to be future-proofed, it is not possible to provide a definitive list of charges to be covered. This section should cover charges for POS transactions, foreign exchange charges and any decline fees and indicate where overseas transaction fees differ from domestic 	£x or x% of the transaction value (whichever is higher) up to a maximum charge of £xx. Declined transaction fee £x
Cash withdrawal Fees	<ul style="list-style-type: none"> In order to be future-proofed, it is not possible to provide a definitive list of charges to be covered. It is expected that charges associated with all methods of cash withdrawal would be included 	Cash withdrawal at ATM subject to a handling fee of x% subject to a minimum of £xx
Service Fees	<ul style="list-style-type: none"> Any fee applied to operate the account on an ongoing basis should include any monthly/annual fee, inactivity fees and other handling fees 	Card management / service fee £x per month
Balance Enquiry	<ul style="list-style-type: none"> To cover all channels through which a balance enquiry may be made 	Call centre balance enquiry - £x ATM balance enquiry - £x
Top-up fees and limits	<ul style="list-style-type: none"> To include those fees associated with card replenishment/top-up 	Reload/top up fee £x Maximum amount per reload £x
Other fees	<ul style="list-style-type: none"> For the inclusion of other fees that should be drawn to a cardholder’s attention, such as forgotten PIN 	PIN reminder fee £x
Closure		
Cancellation or Redemption	<ul style="list-style-type: none"> To cover costs associated with closing the card and redeeming any residual balance 	Card cancellation fee £x
Expiry	<ul style="list-style-type: none"> Details of any time-specific constraints applicable to the card/its usage 	Balances will only be refunded where they exceed £x