



**Association for Payment Clearing
Services**

Mercury House, Triton Court
14 Finsbury Square
London
EC2A 1LQ

PRESS RELEASE

Telephone 020 7711 6200

Facsimile 020 7256 5527

www.apacs.org.uk

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**UK CREDIT CARD INDUSTRY HAS MADE “SIGNIFICANT STRIDES IN
IMPROVING TRANSPARENCY”**

**- Review of transparency initiatives highlights progress across a range
of areas -**

A review of initiatives to improve transparency in the UK credit card market, published today, highlights “significant progress” in many key areas, says APACS, the Association for Payment Clearing Services.

The review, “*Improving transparency and competitiveness in the credit card market*”, reports on initiatives introduced by the UK industry over the last 12 months. Major initiatives include:

- Improvements in product information available to customers, through the introduction of the Summary Box provided with pre-contract marketing materials. The Summary Box provides, in a simple format, information on APRs and other interest rates; monthly interest rates; length of interest-free period; how payments are allocated; what the minimum payment is; all fees for having the card; all charges that might be incurred; and all default charges that might be incurred. Since 31 March 2004, all issuers have published the Summary Box prominently either in written format or on websites, allowing customers to make direct comparisons between products.
- Improved information on monthly statements, including information on estimated interest payments and a standard warning against making minimum repayments over the long term.
- New industry policies on the marketing of credit card cheques and on the application of credit limit increases.
- Significant industry input into the current regulatory review of APR calculation, aimed at creating a single, unified method of APR calculation.

- Continuing industry research into over-indebtedness and input into the work of the Department of Trade and Industry's Over-indebtedness Advisory Group.
- A current review of data sharing policies, initiated by APACS, which is looking at ways to improve data sharing amongst card issuers and so improve lending decisions.

Sandra Quinn, director of corporate communications for APACS, said:

“The credit card industry is already one of the most regulated industries in the UK. Yet in the past 12 months, we have introduced a range of initiatives, which go beyond current regulatory requirements, to improve the transparency of our products.

“More than 30 million people use credit cards as an integral element of their financial lives. The majority of that 30 million do not actually use them for credit – they use them as a deferred payment method that incurs no interest charges.

“In each area of transparency policy, the industry has examined the issues carefully. Where we believe new policies would benefit our customers, we have acted. Where we believe proposed initiatives would be against the interests of those customers, we have explained why.

“We recognise that improving transparency is a continuing process and the industry continues to investigate policies that can improve transparency further.”

“Improving transparency and competitiveness in the credit card market” is launched today at a reception for MPs at the House of Commons. The review is being made available to MPs and other individuals or organisations with an interest in the credit card industry and its policies.

Full copies of the report are available.

For further information or a copy of the report please contact:

APACS Plastic Card Information Office
Four Communications
Communications Building
48 Leicester Square
London WC2H 7FG

T: +44 (0) 870 420 3208
F: +44 (0) 870 420 3252
E: apacs@fourplc.com