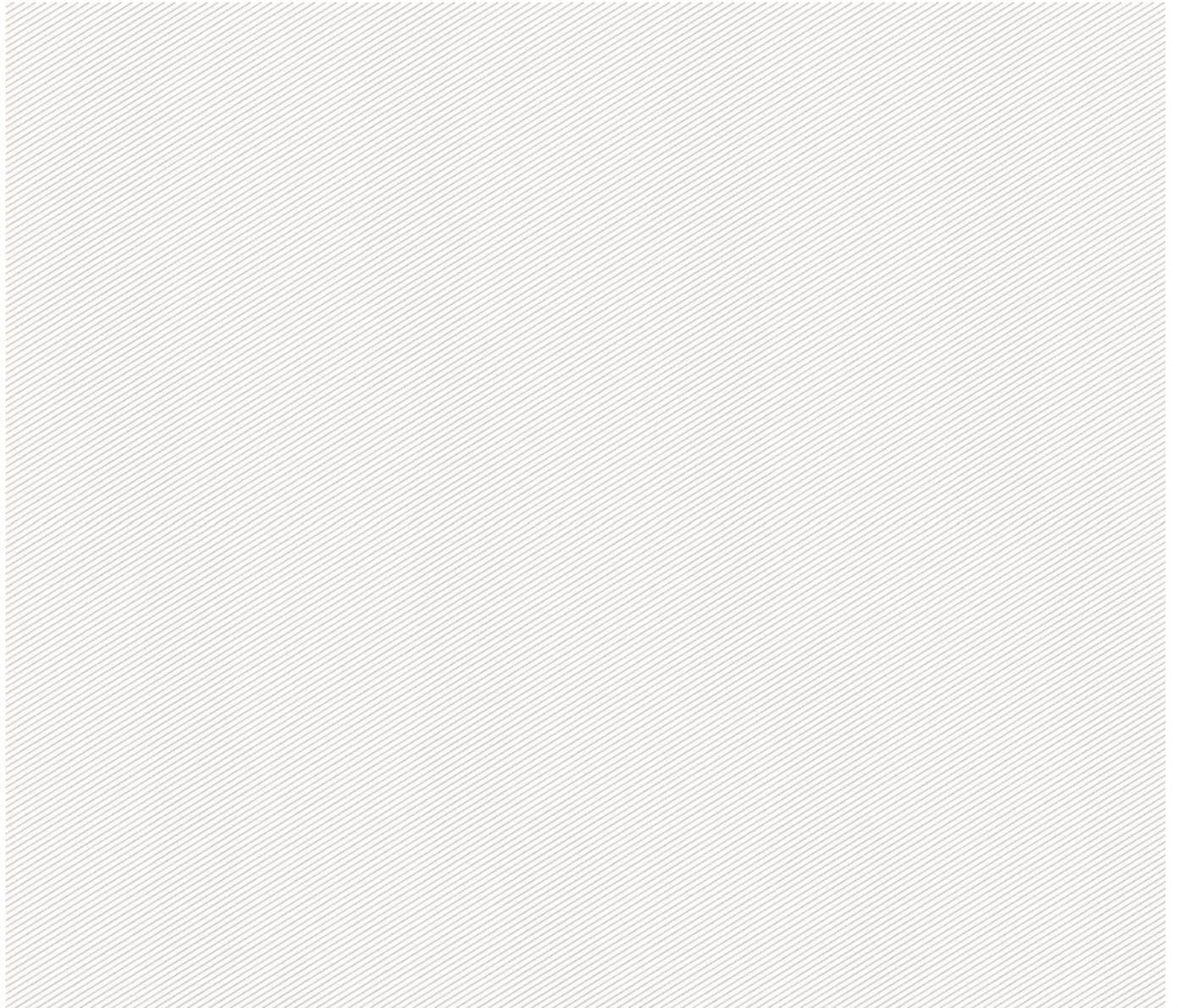


# Cardholder Statement Summary Box

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## 1. Introduction

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### **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, UK Cards Association 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 and agreed to provide a Summary Box on monthly credit card statements by 31 December 2005.

With this innovation consumers have been 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.

These guidelines are included in the Lending Code.

## 2. Cardholder Statement Summary Box Best Practice Guidelines

### 2.1 Background

Through The UK Cards Association, 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 Lending Code requirements additional information e.g. estimated monthly interest if the minimum payment amount is made on the last day for payment and details on expiry of promotional rates will also be shown on statements.

### 2.2 Objective

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.

### 2.3 Content and order

The content and order of the statement version of the Summary Box are as follows. 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. The format is more prescriptive in relation to foreign usage as presentation has been used to reinforce the cumulative nature of certain charges. The industry agreed terminology set out in section 5 of this document must be used.

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 (Issuers to decide)**

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	
Foreign usage	
Default charges	

## 2. Cardholder Statement Summary Box Best Practice Guidelines

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### 2.4 Usage

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

### 2.5 Timing

Card issuers will implement this revised statement of the Summary Box by the end of December 2012.

### 2.6 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. Please be aware that all guidelines are advisory (rather than mandatory). The guidelines set out best practice to encourage a consistent approach across the industry. They are not legally binding. Any failure to follow them does not give rise to any right of action.

These guidelines have been incorporated into the Lending Code.

### 3. Appendix

#### SUMMARY BOX – Cardholder Statement

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
<b>Interest free period</b>	<ul style="list-style-type: none"> <li>Expressed in maximum days, for those types of transaction for which an interest free period applies.</li> <li>If there are conditions associated with the interest free period these should be shown here.</li> </ul>	Maximum 55 days for purchases if you pay your balance in full and on time. There is no interest free period on cash withdrawals or balance transfers
<b>Interest charging information</b>	<ul style="list-style-type: none"> <li>Expressed in either tabular or textual format, information on the dates between which interest is charged for different product features e.g. purchases, cash withdrawals and balance transfers (where applicable) must be shown.</li> </ul>	<p>The periods over which interest is charged are as follows:</p> <p><b>Purchases</b> – If the balance is not repaid in full, interest on the outstanding balance is charged from the date the transaction is debited to the account until payment is posted to the account.</p> <p><b>Cash withdrawal</b>– interest is charged from the date the transaction is debited to the account until payment is received.</p> <p><b>Balance transfers</b> – interest is charged from the date the transaction is debited to the account until payment is received. Interest free period only applies to the introductory period.</p>
<b>Allocation of payments</b>	<ul style="list-style-type: none"> <li>Succinct description of the order in which payments will be allocated to the account. From 01 January 2011, payments must be allocated to the highest rate debt first. It is acceptable to refer the consumer to the more detailed description in the full terms and conditions by means of a footnote.</li> </ul>	If you do not pay off your balance in full we will allocate your payments to the most expensive debt first
<b>Minimum repayment</b>	<ul style="list-style-type: none"> <li>Succinct description</li> </ul>	xx% or minimum £x.xx. or All default fees / charges, annual fees that may be levied and interest plus 1% of the principal.
<b>Fees</b>	<ul style="list-style-type: none"> <li>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 .</li> </ul>	£15.00 annual fee. This fee will be waived if your annual expenditure exceeds £2,000.
<b>Charges</b>	<ul style="list-style-type: none"> <li>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 fees ( domestic), Payment Protection Insurance (if mandatory), duplicate statement fee etc.</li> <li>Either continuous form or tabular form are acceptable formats.</li> </ul>	Cash Fees subject to a handling fee of x.x% subject to a minimum of £x.xx etc.
<b>Foreign usage</b>	<ul style="list-style-type: none"> <li>Agreed industry common terminology as set on Pg. 5 should be used</li> <li>Use of descriptors (Non-Sterling &amp; Foreign ) may be omitted in accordance with the common terminology requirements</li> <li>The scheme who provides the exchange rate may be named or the generic term Payment Scheme Exchange Rate used.</li> <li>Must be set out in the same order as specified on page 7 of the Credit Card Summary Box Guidelines.</li> <li>Particular fees may be excluded from the list if they do not apply.</li> <li>Text “one or more of the following may apply “ is mandatory</li> <li>All current and future fees must be shown</li> </ul>	As prescribed in the Credit Card Summary Box Guidelines
<b>Default charges</b>	<ul style="list-style-type: none"> <li>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.</li> <li>Either continuous form or tabular form are acceptable formats.</li> </ul>	Late payment fee £xx; over-limit fee £xx etc

#### 4. Common Industry Terminology

Term	Definition
<b>American Express/ MasterCard/ Visa / Payment Scheme Exchange Rate</b>	The base exchange rate used in the settlement of the transaction between issuer and scheme. Issuers may refer to the more generic term where the communication covers multiple scheme card payment products.
<b>Exchange Rate Adjustment</b>	The margin added, by certain issuers, to the scheme rate in order to arrive at the exchange rate quoted as the refer-
<b>American Express/ MasterCard/ Visa / Payment Scheme Exchange Fee</b>	Any payment network fee applied to some or all non-sterling or foreign transactions that issuers recover directly from cardholders.
<b>Non-Sterling Transaction Fee</b>	A fee applied to all types of non-sterling transactions. The descriptor Non-Sterling may be dropped if the fee also applies to domestic transactions.
<b>Non-Sterling Purchase Fee</b>	An additional fee applied to certain retail transactions. The descriptor Non-Sterling may be dropped if the fee also ap-
<b>Non-Sterling Cash Fee</b>	An additional fee applied to certain cash withdrawals. The descriptor Non-Sterling may be dropped if the fee also applies to domestic transactions. The fee may apply in some circumstances to quasi-cash transactions e.g. gambling.
<b>Foreign Purchase Fee</b>	An additional fee applied to Sterling retail transactions made abroad e.g. DCC. Where a purchase fee is applied irrespective of whether it is a DCC transaction or a Non-Sterling transaction this term may be used.
<b>Foreign Cash Fee</b>	An additional fee applied to Sterling cash withdrawals transactions made abroad e.g. DCC. The fee may apply in some circumstances to quasi-cash transactions e.g. gambling. Where a cash fee is applied irrespective of whether it is a DCC transaction or a Non-Sterling transaction this term