

### **Hong Kong Cardholders Lack Understanding of Cards' T&Cs and Reward Programmes, J.D. Power Study Finds**

- Hong Kong credit card customers are more financially disciplined than their global counterparts, yet 9 in 10 do not have a full grasp of the fine print.
- Rewards programmes that include hotel stays and flights are amongst the most satisfying in the study.
- American Express ranks highest in the inaugural Hong Kong Credit Card Satisfaction Study, leading by a significant margin.

**Hong Kong: 14 June 2016** — Credit card customers in Hong Kong show financial discipline when using their cards, with 86% of cardholders indicating they pay off their credit card bills in full every month, according to the inaugural J.D. Power 2016 Hong Kong Credit Card Satisfaction Study<sup>SM</sup>, released today.

Cardholders in Hong Kong are significantly more disciplined in terms of debt avoidance than their counterparts in the United States, where 57% of customers pay their credit card bills in full each month, Australia (56%) and Singapore (80%).

Yet even as Hong Kong cardholders fare well in avoiding debt, their levels of understanding of credit card terms are contrastingly low. The study finds that nine in 10 cardholders say they do not fully understand their cards' terms. Moreover, two-thirds of cardholders say they do not thoroughly understand the process of earning and redeeming credit card rewards, indicating wasted opportunities for cardholders to yield the maximum value from their cards.

The inaugural research, modelled after the established study that has been conducted for a decade in the United States, measures customer satisfaction with their primary credit card issuer by examining six key factors: interaction; credit card terms; billing and payment; rewards; benefits and services; and problem resolution. Satisfaction is calculated on a 1,000-point scale.

“Considering that card issuers in Hong Kong are vigorously promoting the advantages of their cards, it is disappointing to see that so few people know how to make the most of the rewards programme they have joined,” said **Dr. Gordon Shields, director at J.D. Power**. “That said, there is considerable incentive for banks to communicate with and inform their customers more effectively: those who are familiar with their cards' terms and rewards programmes are significantly more satisfied with their card issuers; spend more money on them; and are more likely to recommend them to others.”

Overall, there is a 36-point gap in satisfaction between customers who fully understand their card terms (728) and those who do not (692). With respect to awareness of benefits attached to the card, there is an upswing in monthly spend of HK\$2,168 amongst the 27% of cardholders who are aware of having seven or more benefits.

#### **Study Rankings**

**American Express** ranks highest in credit card satisfaction with an overall score of 745. American Express performs particularly well across all six factors in the study. **DBS**, a relatively new entrant into Hong Kong, ranks second with a score of 693, while **HSBC** follows closely at 691.

## **ADDITIONAL FINDINGS**

- **Most Consumers Hold Multiple Credit Cards:** On average, Hong Kong cardholders have four credit cards, but have used just three of them in the past 12 months.
- **Average Monthly Card Spend Just over HK\$9,000:** Cardholders spend on average of HK\$5,469 each month on their primary card, and HK\$9,055 across all of their cards.
- **Preference Shown for Gift Cards/ Vouchers over Cashback Rewards:** The most common rewards that can be redeemed by cardholders in Hong Kong are gift certificates/ cards/ vouchers (55%), cashback (47%), merchandise (22%) and airline tickets (22%).
- **Rewards and Benefits Pivotal to Switching:** Amongst cardholders who have switched credit card issuers, the most often cited reasons are for a better rewards programme (40%); better benefits (30%); and to get discounts and promotions from a retailer (22%).
- **Delighted Customers Pay Dividends:** Sixty-four per cent of cardholders who are delighted with their card issuer (overall satisfaction of 900 or higher) say they “definitely would” recommend their card to a friend or colleague, compared with the study average of 15%.

The 2016 Hong Kong Credit Card Satisfaction Study is based on responses from 2,878 credit card customers. Coverage includes 10 major credit card issuers, nine of which are rank eligible, in the market with scores based on the cardholder’s primary card used. The study was fielded in April and May 2016.

### **Media Relations Contacts**

Wai Hoi Tsang; Ketchum, Hong Kong; +852 31418110; [wai-hoi.tsang@ketchum.com](mailto:wai-hoi.tsang@ketchum.com)

Crystal Tang; Ketchum, Hong Kong; +852 31418101; [crystal.tang@ketchum.com](mailto:crystal.tang@ketchum.com)

XingTi Liu; J.D. Power; Singapore; +65-67338980; [xingtliu@jdpower.com.sg](mailto:xingtliu@jdpower.com.sg)

John Tews; J.D. Power; Troy, Michigan USA; 001-248-680-6218; [john.tews@jdpa.com](mailto:john.tews@jdpa.com)

**About J.D. Power and Advertising/Promotional Rules** <http://www.jdpower.com/about/index.htm>

###

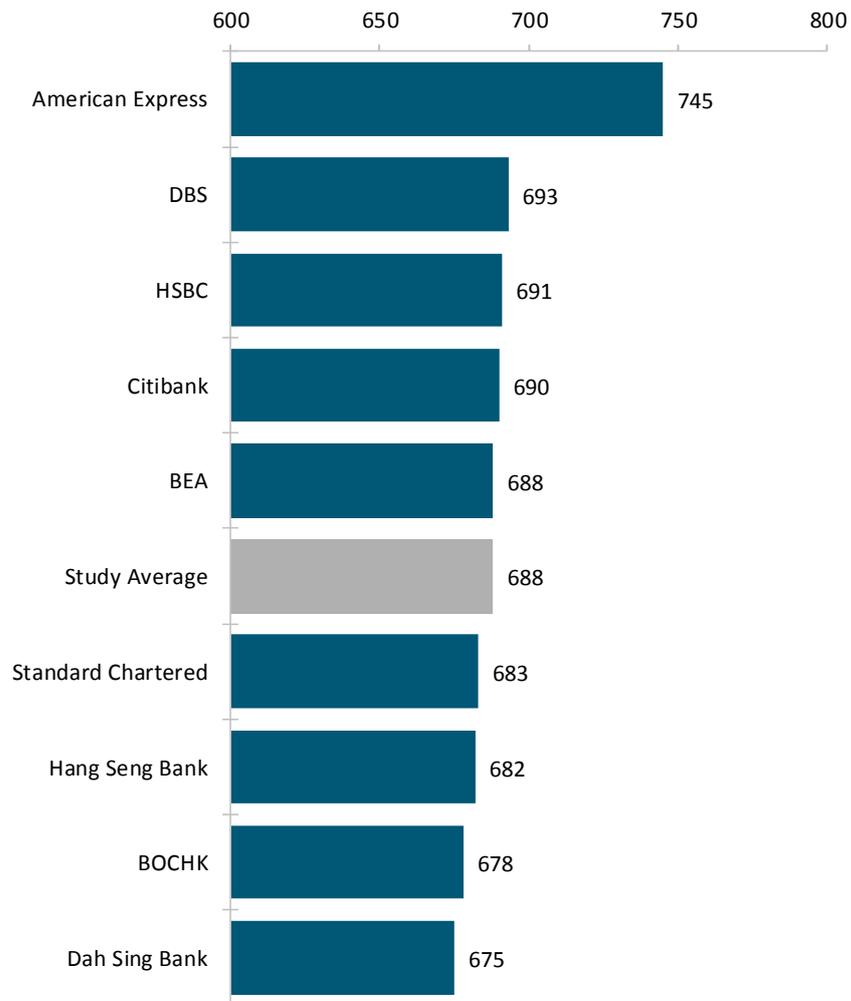
(Page 2 of 3)

NOTE: One chart follows.

# J.D. Power 2016 Hong Kong Credit Card Satisfaction Study<sup>SM</sup>

## Overall Satisfaction Index Ranking

(Based on a 1,000-point scale)



Note: Included in the study but not ranked due to small or insufficient sample size is AEON.

Source: J.D. Power 2016 Hong Kong Credit Card Satisfaction Study<sup>SM</sup>

Charts and graphs extracted from this press release for use by the media must be accompanied by a statement identifying J.D. Power as the publisher and the study from which it originated as the source. Rankings are based on numerical scores, and not necessarily on statistical significance. No advertising or other promotional use can be made of the information in this release or J.D. Power survey results without the express prior written consent of J.D. Power.