

Mozo Experts Choice Research Report

Product Category:
CREDIT CARDS

23 September 2015



Who is Mozo?

Mozo Pty Ltd (“Mozo”) provides a financial comparison service that was launched in 2008 by a team of passionate financial services enthusiasts with the goal of creating an online service that helps Australian consumers save money. Mozo offers consumers a comprehensive product comparison service that covers the retail banking market, energy, general insurance, life insurance, business banking and more.

Currently around 300,000 Australians a month use Mozo’s financial comparison service. Mozo’s comparison technology and expertise is used by some of Australia’s largest online publishers.

Mozo holds an Australian Financial Services Licence and an Australian Credit Licence. Mozo’s management team have experience in consumer credit and financial services in a variety of roles from executive management, marketing, and actuarial services to product development, and technology. Mozo’s team are often called upon to provide expert media commentary in relation to retail financial services.

Our Experts Choice Awards analysis is carried out by our Research & Insights Director and our Product Data Manager, who between them have over 50 years of experience in financial services and 21 years in online financial services comparison.

Andrew Duncanson is our Research & Insights Director. Andrew has worked in financial services for over 20 years in Australia and the UK and is a qualified actuary. Andrew is a Responsible Manager for Mozo’s Australian Financial Services Licence.

Peter Marshall is our Product Data Manager. He has over 30 years’ experience in financial services, including managing product data at other financial comparison sites before Mozo. Peter is also a Responsible Manager for Mozo’s Australian Financial Services Licence.

Mozo Experts Choice Awards

The Mozo Experts Choice Awards are an initiative from Mozo that recognise Australia's best value financial products to help Australians save money by choosing better products.

The Experts Choice Awards are designed to complement the popular Mozo People's Choice Awards, which are voted by customers and recognise banking and insurance institutions with the highest customer satisfaction levels.

For the Experts Choice Awards Mozo awards Gold medals to the top 10% of products, to a maximum of 10 individual products, meeting the selection criteria in each awards category. In the Travel Insurer of the Year category only one medal was awarded.

Further information about our awards methodology can be found below.

What Credit Card products do we consider?

In carrying out the Mozo Experts Choice Awards research report we analysed 171 personal credit card products issued by 57 Australian financial institutions based on data contained in Mozo's product database as at 14 September 2015.

We aim to include most credit card providers in the market in the Mozo Experts Choice Awards. However, not every credit card product on the market will be included in our review. Reward credit card schemes were not considered when selecting the award winners in each category.

Any credit card product we review must be available in the market at the time of our analysis and any offers included must be available to the general public on the provider's website.

The Mozo Experts Choice Credit Card Award Winners 2015

[1] BEST LOW RATE CREDIT CARD

PROVIDER	CARD NAME	INTRODUCTORY PURCHASE RATE
Quay Credit Union	Visa Credit Card	n/a
Community First Credit Union	McGrath Pink Visa	4.99% for 6 months
ME	frank Credit Card	n/a
G&C Mutual Bank	Low Rate Visa Credit Card	n/a
Maritime, Mining & Power CU	Visa Credit Card	7.99% for 6 months
Teachers Mutual Bank/Unibank	Teachers Credit Card	7.90% for 6 months
SCU	Low Rate Visa Credit Card	n/a
Bank Australia	Low Rate Visa	n/a
Police Bank	Visa Credit Card	n/a
Credit Union SA	Visa Credit Card	n/a

[1] BEST LOW RATE CREDIT CARD (CONTINUED)

PROVIDER	PURCHASE RATE %	ANNUAL FEE	TOTAL COST OVER FIRST 5 YEARS
Quay Credit Union	7.99	\$36 *	\$1,942
Community First Credit Union	8.99	\$40	\$2,133
ME	9.99	\$0	\$2,248
G&C Mutual Bank	9.99	\$50 *	\$2,448
Maritime, Mining & Power CU	10.12	\$60 *	\$2,469
Teachers Mutual Bank/Unibank	11.50	\$0	\$2,507
SCU	10.49	\$30	\$2,510
Bank Australia	9.89	\$59	\$2,520
Police Bank	10.76	\$30 *	\$2,541
Credit Union SA	10.49	\$39	\$2,555

*annual fee waived for the first year

[2] BEST FEE FREE CREDIT CARD

PROVIDER	CARD NAME	INTEREST FREE DAYS	ANNUAL FEE	PURCHASE RATE %
ME	frank Credit Card	55	\$0	9.99
Teachers Mutual Bank	Teachers Credit Card	55	\$0	11.50

[3] BEST PLATINUM CREDIT CARD

PROVIDER	CARD NAME	PURCHASE RATE %	ANNUAL FEE	REWARDS PRIVILEGES
Bankwest	Zero Platinum MasterCard	17.99	\$0	Concierge, Travel Insurance, Extended Warranty, Purchase Protection
HSBC	Platinum Credit Card	19.99	\$0	Concierge, Travel Insurance, Extended Warranty, Purchase Protection, Guaranteed Pricing
P&N Bank	Platinum Visa Credit Card	11.49	\$80	Concierge, Travel Insurance, Extended Warranty, Purchase Protection
ANZ	Platinum	19.74	\$87	Concierge, Travel Insurance, Extended Warranty, Purchase Protection, Rental Car Excess Cover, Guaranteed Pricing
NAB	Premium Card	19.74	\$90	Concierge, Travel Insurance, Extended Warranty, Purchase Protection, Guaranteed Pricing, Domestic Hotel Burglary Insurance

[4] BEST OVERSEAS TRANSACTION CREDIT CARD

PROVIDER	CARD NAME	INTEREST FREE DAYS	ANNUAL FEE	EXCHANGE MARGIN	PURCHASE RATE %
Bankwest	Zero Platinum MasterCard	55	\$0	0%	17.99
28 Degrees	Platinum MasterCard	55	\$0	0%	20.99

How the Mozo Experts Choice Awards are determined

Mozo Experts Choice Credit Card awards are awarded based on the following criteria and across the following categories:

[1] BEST LOW RATE CREDIT CARD

Description:

This award is for the best value credit card for consumers who carry an ongoing revolving balance.

Method:

We calculate the cost of each credit card product over 5 years. Our calculations assume a continuous interest-accruing balance of \$4,500*

Our calculation takes into account:

- ongoing interest rates
- introductory interest rates
- annual fees
- introductory annual fee reductions or waivers

The calculation does not take into account:

- annual fee waivers for reaching annual spend thresholds
- balance transfer interest rates
- interest free periods
- interest rates on cash advances or other special transactions
- transaction fees
- penalty fees
- fees for optional services
- rewards schemes

Products are ranked from lowest to highest cost based on the above calculations and the top 10 were given awards.

** The interest-accruing balance amount of \$4,500 is based on the RBA's figure for total balances accruing interest, divided by the number of cardholders in Australia (Roy Morgan, June 2015). The time frame of 5 years was chosen as a reasonable period over which to assess the cost of holding a credit card, ensuring that any introductory offers did not dominate the outcome.*

[2] BEST FEE FREE CREDIT CARD

Description:

This award is for the best value credit cards to avoid paying fees (provided outstanding balances are paid in full each month).

Method:

To be considered for this award, credit cards must have both:

- a minimum of 55 interest free days
- no annual fee

All qualifying cards were ranked in ascending order of foreign exchange margin, and then in ascending order of ongoing purchase interest rate. No other card fees or features were taken into account when completing the award rankings.

17 cards qualified and the two highest ranked cards by purchase rate were given awards.

[3] BEST PLATINUM CREDIT CARD

Description:

This award is for the cards that provide the lowest cost way to gain primary benefits of Platinum Card ownership. We assumed the primary benefits of Platinum card ownership as:

- Concierge – a service which assists the cardholder with personal services and bookings such as entertainment and travel.
- Travel Insurance – complimentary travel insurance which the cardholder may have to activate by purchasing a minimum amount of the travel with their credit card. Benefit levels and exclusions for claims were not assessed.
- Warranty Extension – provides an additional warranty period for goods purchased using the credit card. Benefit levels and exclusions for claims were not assessed.
- Purchase Insurance – provides a limited period of insurance against loss, theft or accidental damage in certain circumstances for goods purchased using the credit card. Benefit levels and exclusions were not assessed.

Method:

Credit cards must offer Concierge, Travel Insurance, and either Warranty Extension or Purchase Insurance features to qualify for this category of Mozo Experts Choice. 51 card products qualified and were firstly ranked from lowest to highest fee, then lowest to highest ongoing interest rate. The top 5 cards were given awards.

[4] BEST OVERSEAS TRANSACTION CREDIT CARD

Description:

This award is for the lowest cost cards for making purchases outside Australia.

Method:

To be considered for this award, credit cards must have both:

- a minimum of 55 interest free days;
- no annual fee;
- no foreign exchange margin.

All cards that met the criteria for this category were given awards.

How we manage conflicts of interest

Mozo Experts Choice awards is based on objective verifiable facts and analysis. Mozo's research team analyses product data and determines the winners in each Mozo Experts Choice Awards category without reference to Mozo's sales or commercial functions. Our internal structures help to avoid conflicts of interest arising between our research team and other areas of the business in the generation of our research reports. Details of how we are paid are contained in our Financial Services Guide.

Credit card issuers can participate in the Mozo Experts Choice Awards free of charge. Mozo charges a licence fee to credit card issuers to allow them to use the Mozo Experts Choice Awards badges in their own marketing activities, and offers promotional packages that may be purchased.

A credit card issuer that receives a Mozo Experts Choice Award may choose to list its products on the Mozo website in a way that may generate revenue for Mozo. Mozo Experts Choice Awards are awarded irrespective of a credit card issuer's commercial relationship with Mozo.

DISCLAIMER:

Any advice included in any document published by Mozo Pty Ltd (AFSL/ACL 328141) is general in nature and does not take into account your objectives, financial situation or needs. Before acting on the advice, you should consider whether it's appropriate to you and seek professional advice from a suitably qualified adviser.

Appendix

List of all credit cards considered in these awards.

Provider	Card name
28 Degrees	Platinum MasterCard
ADCU	Low Rate Visa Credit Card
American Express	Low Rate Credit Card
American Express	Platinum Edge Credit Card
American Express	Qantas Discovery Card
American Express	Qantas Premium Card
American Express	Qantas Ultimate Card
American Express	Velocity Escape Card
American Express	Velocity Platinum Card
ANZ	Balance
ANZ	First
ANZ	Frequent Flyer
ANZ	Frequent Flyer Black
ANZ	Frequent Flyer Platinum
ANZ	Low Rate
ANZ	Low Rate Platinum
ANZ	Platinum
ANZ	Rewards
ANZ	Rewards Black
ANZ	Rewards Platinum
Auswide Bank	Low Rate MasterCard
Auswide Bank	Platinum Rewards MasterCard
B&E Personal Banking	Visa Credit Card
Bank Australia	Low Rate Visa
Bank Australia	Platinum Rewards Visa
Bank Australia	Visa Credit Card
Bank of Melbourne	Amplify Classic
Bank of Melbourne	Amplify Platinum
Bank of Melbourne	Amplify Signature
Bank of Melbourne	No Annual Fee
Bank of Melbourne	Vertigo

Bank of Melbourne	Vertigo Platinum
Bank of Queensland	Blue Visa Credit Card
Bank of Queensland	Low Rate Visa Credit Card
Bank of Queensland	Platinum Visa Credit Card
BankSA	Amplify Classic
BankSA	Amplify Platinum
BankSA	Amplify Signature
BankSA	No Annual Fee
BankSA	Vertigo
BankSA	Vertigo Platinum
BankVic	Visa Gold
BankVic	Visa Silver
Bankwest	Breeze Gold MasterCard
Bankwest	Breeze MasterCard
Bankwest	Breeze Platinum MasterCard
Bankwest	More Gold MasterCard
Bankwest	More MasterCard
Bankwest	More Platinum MasterCard
Bankwest	Qantas Gold MasterCard
Bankwest	Qantas MasterCard
Bankwest	Qantas Platinum MasterCard
Bankwest	Zero Gold MasterCard
Bankwest	Zero MasterCard
Bankwest	Zero Platinum MasterCard
BCU	Classic
BCU	Rewarder
Bendigo Bank	Basic Black
Bendigo Bank	Platinum
Bendigo Bank	Ready Red
Bendigo Bank	RSPCA Rescue
Bendigo Bank	RSPCA Rescue Rewards
Beyond Bank	Low Rate
Big Sky	Low Rate Visa
Big Sky	Visa (Cash Rewards)
Citibank	Classic
Citibank	Clear Platinum

Citibank	Emirates World MasterCard
Citibank	Platinum
Citibank	Prestige
Citibank	Qantas Signature
Citibank	Signature
Citibank	Simplicity
Coles	Low Rate MasterCard
Coles	No Annual Fee MasterCard
Coles	Rewards MasterCard
Commonwealth Bank	Awards Credit Card
Commonwealth Bank	Diamond Awards Credit Card
Commonwealth Bank	Gold Awards Credit Card
Commonwealth Bank	Low Fee Credit Card
Commonwealth Bank	Low Fee Gold Credit Card
Commonwealth Bank	Low Rate Credit Card
Commonwealth Bank	Low Rate Gold Credit Card
Commonwealth Bank	Platinum Awards Credit Card
Community First Credit Union	McGrath Pink Visa
Community Mutual Group	Your Choice
Credit Union SA	Visa Credit Card
CUA	Low Rate MasterCard
CUA	Platinum Rewards MasterCard
David Jones	American Express Card
David Jones	American Express Platinum Card
Defence Bank	True Blue Credit Card
G&C Mutual Bank	Low Rate Visa Credit Card
G&C Mutual Bank	Platinum Visa Credit Card
GE Money	GEM Visa Card
GE Money	GO MasterCard
GE Money	MasterCard
Greater Building Society	Greater Visa
Heritage Bank	Classic
Heritage Bank	Freedom Visa
Heritage Bank	Gold Low Rate
Heritage Bank	Platinum
HSBC	Credit Card

HSBC	Platinum Credit Card
HSBC	Premier World MasterCard
Hume Bank	Visa Gold
Hume Bank	Visa Loyalty
Hume Bank	Visa Value
Illawarra Credit Union	Low Rate MasterCard
Illawarra Credit Union	Platinum Rewards MasterCard
IMB Bank	Low Rate MasterCard
IMB Bank	Platinum Rewards MasterCard
Jetstar	MasterCard
Jetstar	Platinum MasterCard
Macquarie	Gold Card
Macquarie	Hilton Honors Macquarie Platinum
Macquarie	RateSaver
Macquarie	Visa Platinum Card
Maritime, Mining & Power Credit Union	Visa Credit Card
ME	frank Credit Card
Myer	Visa Card
MyState	Low Rate MasterCard
MyState	Platinum Rewards MasterCard
NAB	flybuys Rewards Card
NAB	Low Fee Card
NAB	Low Rate Card
NAB	Premium Card
NAB	Qantas Rewards Card
NAB	Qantas Rewards Premium Card
NAB	Velocity Rewards Card
NAB	Velocity Rewards Premium Card
Newcastle Permanent	Value+
P&N Bank	Easypay Visa Credit Card
P&N Bank	Platinum Visa Credit Card
People's Choice Credit Union	Visa Credit Card
Police Bank	Visa Credit Card
QANTAS Credit Union	Lifestyle
QANTAS Credit Union	Lifestyle Plus

QANTAS Credit Union	Visa Platinum Credit Card
QT Mutual Bank	Low Rate MasterCard
QT Mutual Bank	Platinum Rewards MasterCard
Quay Credit Union	Visa Credit Card
Queensland Country Credit Union	Rewarder
Queensland Country Credit Union	Visa Credit Card
Queensland Police Credit Union	Bluey Card
Queensland Police Credit Union	Bluey Rewarder Card
SCU	Low Rate Visa Credit Card
St.George	Amplify Classic
St.George	Amplify Platinum
St.George	Amplify Signature
St.George	No Annual Fee
St.George	Vertigo
St.George	Vertigo Platinum
Suncorp	Clear Options Gold
Suncorp	Clear Options Platinum
Suncorp	Clear Options Standard
Teachers Mutual Bank/Unibank	Teachers Credit Card
Victoria Teachers Mutual Bank	Visa Classic Credit Card
Victoria Teachers Mutual Bank	Visa Platinum Credit Card
Virgin Money	Low Rate Card
Virgin Money	No Annual Fee Card
Virgin Money	Virgin Australia Velocity Flyer Card
Virgin Money	Virgin Australia Velocity High Flyer Card
Westpac	55 Day Card
Westpac	55 Day Platinum Card
Westpac	Altitude
Westpac	Altitude Black
Westpac	Altitude Platinum
Westpac	Low Rate
Woolworths Money	Everyday Platinum Credit Card
Woolworths Money	Qantas Platinum Credit Card