



# Mozo Experts Choice Awards **Credit Cards 2018**

Methodology Report  
September 2018



# Mozo Experts Choice Awards Credit Cards 2018

Every day, Mozo keeps track of thousands of products in banking, insurance and energy.

We use our knowledge and experience to identify those products that offer great value or market-leading features, and we recognise them with the Mozo Experts Choice Awards.

- For product providers, a Mozo Experts Choice Award is a third-party endorsement of their product.
- For consumers, it's a sign that a product is among the leaders and is worthy of consideration.

This report lists the winners and explains the judging methodology for our 2018 Credit Card awards.

# Credit Cards - 2018 Winners

## Credit Card Provider of the Year

American Express

## Low Rate Credit Card

American Express	Low Rate Credit Card
Auswide Bank	Low Rate Visa
Bank of us	Visa Credit Card
Community First Credit Union	McGrath Pink Visa
Credit Union SA	Education Community Visa Credit Card
Easy Street	Easy Low Rate Visa Credit Card
G&C Mutual Bank	Low Rate Visa Credit Card
Unity Bank	Visa Credit Card

## Low Rate Platinum Credit Card

Bank First	Visa Platinum Credit Card
Bank of Melbourne	Vertigo Platinum
BankSA	Vertigo Platinum
St.George	Vertigo Platinum
Bankwest	Breeze Platinum Mastercard
Bendigo Bank	Low Rate Platinum Mastercard
Citi	Clear Platinum
NAB	Low Rate Platinum Card
P&N Bank	Visa Platinum Credit Card

## No Annual Fee Credit Card

American Express	Low Rate Credit Card
Bank Australia	Visa Credit Card
Bank First	Visa Classic Credit Card
Credit Union SA	Education Community Visa Credit Card
CUA	Low Rate Credit Card (Brisbane Heat Offer)
Hume Bank	Value Visa Card
ME	frank Credit Card
QBANK	Bluey Card
Teachers Mutual Bank	Credit Card
UniBank	Credit Card

## No Annual Fee Platinum Credit Card

28 Degrees	Platinum Mastercard
Bankwest	Zero Platinum Mastercard
CUA	Platinum Credit Card (Brisbane Heat Offer)

## Balance Transfer Credit Card

American Express	Low Rate Credit Card
Australian Military Bank	Low Rate Visa Credit Card
Beyond Bank	Low Rate
Credit Union SA	Education Community Visa Credit Card
Heritage Bank	Gold Low Rate
Police Bank	Visa Credit Card
QBANK	Bluey Card
Westpac	Low Rate

## Balance Transfer Platinum Credit Card

ANZ	Platinum
Citi	Clear Platinum
CUA	Platinum Credit Card (Brisbane Heat Offer)
Myer	Platinum Visa Card
Westpac	55 Day Platinum Card
Woolworths	Everyday Platinum Credit Card

## Rewards Credit Card

American Express	Essential Credit Card
Coles	Rewards Mastercard
Jetstar	Mastercard (Jetstar Dollars)
Latitude	Infinity Rewards
Myer	Visa Card

## Premium Rewards Credit Card

American Express	Explorer® Credit Card
American Express	Platinum Edge Credit Card
Bank of Sydney	Platinum Credit Card
HSBC	Platinum Credit Card
Jetstar	Platinum Mastercard (Jetstar Dollars)
Myer	Platinum Visa Card
Westpac	Altitude Black with American Express (Altitude Rewards)
Westpac	Altitude Platinum with American Express (Altitude Rewards)
Woolworths	Everyday Platinum Credit Card

## Qantas Frequent Flyer Credit Card

American Express	Qantas Discovery Card
Qantas Money	Qantas Premier Everyday Credit Card

## Qantas Frequent Flyer Premium Credit Card

American Express	Qantas Ultimate Card
ANZ	Frequent Flyer Black
Qantas Money	Qantas Premier Platinum Credit Card
Westpac	Altitude Black with American Express
Westpac	Altitude Platinum with American Express

## Velocity Frequent Flyer Credit Card

American Express	Velocity Escape Card
American Express	Essential Credit Card
Coles	Rewards Mastercard

## Velocity Frequent Flyer Premium Credit Card

American Express	Explorer® Credit Card
American Express	Velocity Platinum Card
American Express	Platinum Edge Credit Card
Virgin Money	Virgin Australia Velocity High Flyer Card
Westpac	Altitude Black with American Express (Altitude Rewards)

## Premium Card Benefits

	Frequent Flyer Black
	Frequent Flyer Platinum
ANZ	Platinum
	Rewards Black
	Rewards Platinum

## Best New Credit Card of the Year

Commonwealth Bank      Essentials Card

## Best New Rewards Credit Card of the Year

Qantas Money      Qantas Premier  
Everyday Credit Card

## Credit Card Innovation

Qantas Money      Qantas Money App



# How do we judge the winners?

Mozo Experts Choice Awards for Credit Cards are awarded in the following categories and based on the following methodology:

## Low Rate Credit Card

To identify the best value credit cards for consumers who carry an ongoing revolving balance, we ranked cards based on the cost over 5 years assuming a continuous interest-accruing balance of \$4,200\* taking 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

*\* The interest-accruing balance amount of \$4,200 is based on the RBA's figure for total balances accruing interest, divided by the number of cardholders in Australia (ASIC 'Credit card lending in Australia', July 2018). We feel this figure gives appropriate weight to the interest cost versus fees. 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.*

## Low Rate Platinum Credit Card

This award was judged using the same process as the Low Rate Credit Card category above, however only Premium cards were included. As all winners were Platinum cards, the name of the award reflects this.

## No Annual Fee Credit Card

To be considered for this award, credit cards must have an interest free period of at least 55 days and no annual fee. Cards are then assessed on purchase rate. No other card fees or features were taken into account.

## No Annual Fee Platinum Credit Card

To be considered for this award, credit cards must be Platinum or better, have an interest free period of at least 55 days and have no annual fee. Cards are then assessed on purchase rate. No other card fees or features were taken into account.

## Balance Transfer Credit Card

The cost of repaying the balance in full was calculated assuming a balance of \$4,200 transferred from another card and repaid at a rate of \$100 per month. This calculation includes any discounted balance transfer interest rate, the interest rate applicable beyond any discounted period, any fees that may be charged to gain access to a balance transfer rate, and annual fees. We assumed that the card was not used for any new purchases.

Additionally, we confirmed that any discounted balance transfer rates had been in the market for at least the last 3 months to avoid awarding short term tactical offers.

## Balance Transfer Platinum Credit Card

The cost of repaying the balance in full was calculated using the Balance Transfer option in the Mozo site Credit Card Search tool, assuming a balance of \$4,200 transferred from another card and repaid at a rate of \$200 per month. This calculation includes any discounted balance transfer interest rate, the interest rate applicable beyond any discounted period, any fees that may be charged to gain access to a balance transfer rate, and annual fees.

We also checked that any discounted balance transfer rates had been in the market for at least the last 3 months to avoid awarding short term tactical offers.

## Rewards Credit Card

For the Rewards Credit Card category (and all other rewards categories), Mozo calculates the value of rewards as explained in the following section 'How do we assess the value of Rewards?'. Essentially, we calculate the retail value of the rewards that could be earned on the card in a year and then subtract the annual fee.

For this Rewards Credit Card category the assumed spend level was \$20,000 per annum, the average annual spend on a credit card in Australia (rounded to the nearest \$1,000) according to RBA statistics. The calculated value of points in this award was based on the best redemption method excluding Qantas and Velocity schemes (these are included in a separate category). Interest costs are not taken into account as we assume the card is paid in full each month.

## Premium Rewards Credit Card

For the 'Premium' categories the assumed spend was \$60,000 as these credit cards are targeted towards higher income earners. Otherwise, the calculation methodology is identical to that used for the Rewards Credit Card category.

## Qantas Frequent Flyer Credit Card

This category only considered cards where points are automatically credited to the Qantas Frequent Flyer program.

We assessed the value of rewards points earned assuming a total annual spend of \$20,000. We then added the value of any ongoing discounts including free or discounted flights and lounge access. Finally, we deducted the cost of the annual fee. We did not assess the value of any other offers such as hotel or dining discounts, nor did we take into account any one-off sign-up offers such as bonus points.

## Qantas Frequent Flyer Premium Credit Card

Winners in this category were determined using the same method as the Qantas Frequent Flyer Credit Card, but using premium cards and an annual spend of \$60,000.

## Velocity Frequent Flyer Credit Card

This category considered credit cards where points are automatically credited to the Velocity Frequent Flyer program, as well as cards with other rewards programs where the best option for obtaining a flight reward was through transferring the points to Velocity.

The calculations followed the same process as category Qantas Frequent Flyer Credit Cards.

## Velocity Frequent Flyer Premium Credit Card

The calculations followed the same process as category Velocity Frequent Flyer Credit Cards with premium tiered cards and a \$60,000 spend.

## Premium Card Benefits

To identify the cards that offer the best range of support extras which we've defined as a concierge service, travel and other insurances and emergency overseas card replacement.

To assess these extras we allocated points for:

- a concierge service
- the activation criteria and key cover levels for Travel Insurance
- each of the other insurances offered
- the cost of replacing a lost card while overseas

The winning provider was the one with the highest ranking from this scoring process. The award applies to all of their cards that offer this level of benefits.

## Best New Credit Cards of the Year

We examined all new entrants to the Mozo credit card database in the last 12 months and assessed each on the potential value to their cardholders. This year we decided to confer two awards, a Best New Credit Card and a Best New Rewards Credit Cards to best reflect the two market segments these cards were geared towards.

## Credit Card Innovation

To award the best Credit Card Innovation, we surveyed the market to identify any new technologies, offers, cards or card features that had emerged during the last 12 months. We then considered how unique they were, their practical utility to consumers and the extent to which they pointed towards potential future trends.

## Credit Card Provider of the Year

American Express won 13 awards this year, almost twice as many as the next most successful provider. Their awards cover low fee, low rate and balance transfer cards, and all rewards categories.

While the judges acknowledge that the value of holding an American Express card can be subject to merchant surcharges and reduced acceptance, and consequently not all consumers will consider one, it was felt that the breadth of offerings from American Express was worthy of recognition.

# How do we assess the value of Rewards?

For the Rewards Credit Card categories, Mozo calculates the value of rewards earned by determining how many points would be earned in a year for a given spend level, the rewards that could be redeemed for those points, and the retail value of those rewards minus annual fees.

## Rewards options assessed

We calculated the relative value of points used for four different redemption options, and used the one most relevant to the specific award: a one-way Sydney-Melbourne flight excluding taxes and charges, a return Sydney-London flight excluding taxes and charges, a \$100 shopping gift card and \$100 cashback.

These are the only rewards options assessed for these awards, although other options may be available.

## How we determine the value of flight rewards

The flights used for comparison of flight rewards are 'classic' or 'reward' economy seats with restricted seat availability. 'Any seat' rewards will probably cost more. To compare the value of flight rewards, we sample online retail flight prices once a quarter based on the average price on a Wednesday 3 months in advance (outside NSW school holidays).

For domestic flights we take the lowest available fare from each flight on that day from Qantas Red e-deal, Virgin Getaway including baggage and Jetstar Starter including baggage. We calculate the average price excluding taxes and surcharges for each airline. If the rewards are travel agent vouchers we calculate the average price excluding taxes and surcharges across those three airlines.

For international flights, we take the lowest available fares on that same Wednesday from each of Qantas, Emirates, Etihad, Singapore Airlines and Malaysian Airlines for a return flight returning after 2 weeks. We calculate the

average price across those airlines before taxes and surcharges and use this as our assumed cost of a flight.

## How we determine the value of shopping and cashback rewards

Shopping rewards are based on \$100 gift cards from a major national department store and cashback is based on redeeming points to gain a \$100 credit to your credit card account.

## Bonus points and other benefits

Bonus points are not considered in the value calculations for any awards. The value of annual travel credits, lounge passes and similar ongoing benefits are only used in 'Frequent Flyer' categories.

Only in the Premium Cardholder Care category do we make any allowance for the value of insurance and concierge services.

We have not assigned any value to instant discounts, ticketing and other such benefits.

## Rewards 'Net Value'

The 'net value' of awards are the equivalent retail value of the reward, assuming all of the points earned at the assumed spend limit are redeemed on that particular reward category, less the annual fee. Where cards also features establishment or servicing fees, these were taken into account.

## Dual credit card accounts and American Express

For products that are issued with both an American Express card and a Visa or Mastercard, a different mix of spend between American Express / Visa / Mastercard will give different results. Stand-alone American Express cards have an advantage from different interchange regulation. All American Express cards may be subject to higher surcharges or lower merchant acceptance.



Therefore, in each Rewards category we ran two comparisons: dual-card accounts were compared against Visa/Mastercard products assuming 0% American Express spend, and then also compared against stand-alone American Express cards assuming 100% of spend on the American Express card.

### Credit cards with choice of rewards program

Where a credit card offers the choice of rewards program each program was assessed separately. For these cases the results tables specify which rewards program was awarded, and in some cases both rewards programs may be awarded.

### Excluded products

Cards are not eligible for an award if they are only available to customers with significant other banking relationships with the institution.

## What products do we consider?

In carrying out the Mozo Experts Choice Awards in Credit Cards we analysed 199 personal credit card products issued by 67 Australian financial institutions based on data contained in Mozo's product database as at 12 September 2018.

Cards with multiple offers (such as choice of rewards programs, or different combinations of fees and rates) may be assessed more than once in categories where those variations affect the outcome of the calculations performed.

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.

Any credit card product we review must be available in the market at the time of our analysis.

The Premium categories assessed all 'platinum', 'diamond' and 'black' credit cards, while the Standard categories considered all other credit cards.

### How many winners are there?

For the Experts Choice Awards, Mozo generally awards the top 10% of products, but no more than 10, in each category. Where the same card product is available from a number of related institutions all institutions were given the award. We may also award less than 10% of cards eligible for an award if a considerable fall-off of value presents itself.

To recognise the provider that has been the most successful in these awards, we may award an overall provider of the year award. The overall award would go to a provider that has won awards in a larger and/ or broader range of categories, including any award categories the judges consider to be a must-have category.

# How we manage conflicts of interest

Mozo Experts Choice Awards are based on objective verifiable facts and analysis wherever possible, and any assumptions made are set out in this report. Mozo's research team analyses product data and determines the winners in each Mozo Experts Choice category without reference to Mozo's sales or commercial functions.

A provider can participate in the Mozo Experts Choice Awards free of charge.

Mozo charges a licence fee to providers should they wish to use the Mozo Experts Choice Awards badges in their own marketing activities. Mozo may also offer promotional packages that may be purchased.

A product provider may also 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 product provider's commercial relationship with Mozo.



## About Mozo

Mozo Pty Ltd provides a comparison service with the goal of helping consumers to make their own financial decisions and save money. Mozo offers consumers a comprehensive product comparison service that across the retail banking market, general insurance, life insurance, business banking, energy and more.

Hundreds of thousands of Australians a month use Mozo's comparison service. Mozo's comparison technology and expertise has been 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, actuarial services and technology. Mozo's team are often called upon to provide expert media commentary in relation to the product areas they cover.

Our Experts Choice Awards analysis is overseen by AJ Duncanson, Mozo's Data Services Director. AJ has worked in financial services and product comparison for over 28 years in Australia and the UK and is a qualified actuary and Responsible Manager on Mozo's Australian Financial Services Licence and Australian Credit Licence.

## Important Information

The information published in this report is of a general nature only and does not take into account your situation or needs. Before choosing a product, you should consider whether it's appropriate to you and you should read all the information available from the product provider.

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# Appendix

List of Credit Card products considered in the awards.

Provider	Credit Card
28 Degrees	Platinum Mastercard
American Express	Essential Credit Card
	Explorer Credit Card
	Low Rate Credit Card
	Platinum Edge Credit Card
	Qantas Discovery Card
	Qantas Premium Card
	Qantas Ultimate Card
	Velocity Escape Card
	Velocity Platinum Card
ANZ	First
	Frequent Flyer
	Frequent Flyer Black
	Frequent Flyer Platinum
	Low Rate
	Platinum
	Rewards
	Rewards Black
	Rewards Platinum
	Rewards Travel Adventures Card
Australian Military Bank	Low Rate Visa Credit Card
Auswide Bank	Low Rate Visa
	Platinum Rewards MasterCard
Bank Australia	Low Rate Visa
	Platinum Rewards Visa
	Visa Credit Card
Bank First	Visa Classic Credit Card
	Visa Platinum Credit Card
Bank of Melbourne	Amplify Classic
	Amplify Platinum
Bank of Melbourne	Amplify Signature
	No Annual Fee

	Vertigo
	Vertigo Platinum
Bank of Queensland	Blue Visa Credit Card
	Low Rate Visa Credit Card
	Platinum Visa Credit Card
Bank of Sydney	Classic Credit Card
	Platinum Credit Card
Bank of us	Visa Credit Card
BankSA	Amplify Classic
	Amplify Platinum
	Amplify Signature
	No Annual Fee
	Vertigo
	Vertigo Platinum
BankVic	Qantas Visa
	Visa Gold
	Visa Silver
Bankwest	Breeze Mastercard
	Breeze Platinum Mastercard
	More Mastercard
	More Platinum Mastercard
	More World Mastercard
	Qantas Mastercard
	Qantas Platinum Mastercard
	Qantas World Mastercard
	Zero Mastercard
	Zero Platinum Mastercard
bcu	Classic Credit Card
	Rewards Credit Card
Bendigo Bank	Low Rate First Mastercard
	Low Rate Mastercard
	Low Rate Platinum Mastercard
	Platinum Rewards Mastercard
	Qantas Platinum Mastercard
	RSPCA Rescue Mastercard
Beyond Bank	Low Rate
Big Sky	Low Rate Visa
	Visa Credit Card
Citi	Classic

	Clear Platinum
	Emirates World Mastercard
	Platinum
	Prestige
	Qantas Prestige
	Qantas Signature
	Signature
	Simplicity
Coles	Low Rate Mastercard
	No Annual Fee Mastercard
	Rewards Mastercard
Commonwealth Bank	Awards Credit Card
	Diamond Awards Credit Card
	Essentials Card
	Low Fee Credit Card
	Low Fee Gold Credit Card
	Low Rate Credit Card
	Low Rate Gold Credit Card
	Platinum Awards Credit Card
Community First Credit Union	McGrath Pink Visa
Credit Union SA	Education Community Credit Card
	Visa Credit Card
CUA	Low Rate Credit Card
	Platinum Credit Card
David Jones	American Express Card
	American Express Platinum Card
Defence Bank	True Blue Credit Card
Easy Street	Easy Low Rate Visa Credit Card
Endeavour Mutual Bank	Credit Card
G&C Mutual Bank	Low Rate Visa Credit Card
	Platinum Visa Credit Card
Greater Bank	Greater Visa
Heritage Bank	Classic
Heritage Bank	Gold Low Rate
	Platinum
HSBC	Low Rate Credit Card
	Platinum Credit Card
	Platinum Qantas Credit Card
Hume Bank	Clear Visa Card



	Value Visa Card
Hunter United	Low Rate Visa Credit Card
IMB Bank	Low Rate MasterCard
	Platinum Rewards MasterCard
ING	Orange One Credit Card
	Orange One Platinum Credit Card
Jetstar	Mastercard
	Platinum Mastercard
Latitude	GEM Visa Card
	GO Mastercard
	Infinity Rewards
	Mastercard
Macquarie	Black Card
	Platinum Card
	RateSaver Card
Macquarie Credit Union	Visa Credit Card
Maitland Mutual Building Society	Visa Credit Card
ME	frank Credit Card
Myer	Platinum Visa Card
	Visa Card
MyState Bank	Low Rate MasterCard
	Platinum Rewards MasterCard
NAB	Low Fee Card
	Low Fee Platinum Card
	Low Rate Card
	Low Rate Platinum Card
	Qantas Rewards Card
	Qantas Rewards Premium Card
	Qantas Rewards Signature Card
	Rewards Classic Card
NAB	Rewards Platinum Card
	Rewards Signature Card
Newcastle Permanent	Value+
P&N Bank	Easypay Visa
	Platinum Visa
People's Choice Credit Union	Visa Credit Card
Police Bank	Visa Credit Card
Police Credit Union	Extralite Credit Card
Qantas Money	Qantas Premier Everyday Credit Card

	Qantas Premier Platinum Credit Card
QBANK	Bluey Card
Qudos Bank	Lifestyle
	Lifestyle Plus
	Visa Platinum Credit Card
Queensland Country Credit Union	Rewarder
	Visa Credit Card
RACQ Bank	Low Rate Mastercard
	Platinum Rewards Mastercard
Regional Australia Bank	Visa Platinum Rewards Credit Card
	Your Choice Credit Card
SCU	Low Rate Visa Credit Card
Skye	Mastercard
Southern Cross Credit Union	Low Rate MasterCard
	Platinum Rewards MasterCard
St.George	Amplify Classic
	Amplify Platinum
	Amplify Signature
	No Annual Fee
	Vertigo
	Vertigo Platinum
Suncorp	Clear Options Gold
	Clear Options Platinum
	Clear Options Standard
Teachers Mutual Bank	Credit Card
UniBank	Credit Card
Unity Bank	Visa Credit Card
Virgin Money	Low Rate Card
	No Annual Fee Card
Virgin Money	Virgin Australia Velocity Flyer Card
	Virgin Australia Velocity High Flyer Card
Westpac	55 Day Card
	55 Day Platinum Card
	Altitude Black
	Altitude Black with American Express
	Altitude Platinum
	Altitude Platinum with American Express

	Lite Card
	Low Rate
Woolworths	Everyday Platinum Credit Card
	Qantas Platinum Credit Card