

Mozo Experts Choice Research Report

Product Category:
REWARDS CREDIT CARDS

14 Aug 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 helped consumers to make their own financial decisions and save money. Mozo offers consumers a comprehensive product comparison service that covers the retail banking market, 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 recognises Australia's best value financial products and helps Australians to 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.

Information about our awards methodology can be found below.

What Credit Card products do we consider?

Rewards programs are included with some credit card products to allow users to accrue a number of points for each dollar spent. The accrued points may then be redeemed for a variety of rewards including flights, gift cards and cash back.

Mozo assessed 113 credit card products with rewards programs from 38 providers in the course of carrying out its analysis for this research report and subsequent awards. See the appendix for a list of the credit providers and products assessed.

The HSBC Premier World MasterCard was not given an award as it requires a lending relationship with the bank of more than \$500,000.

Rates, fees and features were taken from Mozo's database and confirmed as correct in June 2015 by contacting the relevant credit providers or from publically available sources. The data set used for the judging process was extracted on 6th August 2015.

We aim to include most Rewards Credit Cards in the market in the Mozo Experts Choice Awards. However, not every credit card product on the market will be included in our review, nor is every feature compared that may be relevant to you.

How do we calculate the value of rewards programs?

Mozo calculates the relative value of rewards earned by determining how many points would be earned in a year for a given spend level, and then calculating the retail value of those rewards minus annual fees.

Rewards options assessed

Mozo has calculated the relative value of points used for four different redemption options:

- a one-way Sydney-Melbourne flight excluding taxes and charges
- a return Sydney-London flight excluding taxes and charges
- a \$100 shopping Gift Card
- \$100 cashback.

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

Bonus points and other benefits

We have not included bonus points accumulated for using the credit card at specific merchants or specific categories of spend, introductory offers or special offers. We have not assigned any value to instant discounts, insurances, ticketing and concierge services or other such benefits. Rewards value calculations do not take credit card interest or other non-reward program product features into account.

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 Saver 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, Singapore, Virgin Atlantic and Malaysian 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 gift card 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 account.

Rewards 'net value'

The 'net value' of awards used in the tables below 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.

Dual credit card accounts

For products that have more than one credit card, a different mix of spend between American Express / Visa / MasterCard will give different results. American Express credit cards and dual credit card accounts where one of the cards is an American Express credit card were assessed based on 100% of the spend level being spent on the American Express credit card. MasterCard and Visa credit cards were assessed based on 100% of the spend level being spent on the relevant category's credit card.

How many winners are there?

For the Experts Choice Awards Mozo awards gold to the top 10% of products, but no more than 10, in each category.

The net value assessment was performed separately for each American Express, MasterCard and Visa credit cards to give three lists of results for each of the Standard and Premium credit card types.

We considered 50 credit cards for the Standard Credit Card Reward Program awards. Accordingly, the top 2 of each credit card type (American Express, MasterCard, Visa) were chosen to give a total of 6 credit cards. We considered 88 credit cards for the Premium Credit Card Rewards Program awards so the top 3 of each type were chosen to give a total of 9 credit cards.

Where the same card product is available from a number of institutions all institutions were given the award.