

2016 STAR RATINGS REPORT



Credit Cards



Credit Cards

January 2016

Foreword

How's this for a New Year's Resolution? Making the most of the credit card rewards we earned buying Christmas presents – or maybe just paying off our Christmas credit card debt, full-stop.

We've all done our bit for the retail and tourism industry over the holiday season – up to hundreds of millions of credit card dollars charged, according to the Reserve Bank of New Zealand. So now is the best time to pay the balance on your credit card before those interest-free days expire and you get hit with interest changes.

The best step towards getting your credit card back on track is making sure the interest rate and annual fee you're paying matches your spending profile. That's why at CANSTAR, we regularly research the credit cards on offer in New Zealand, and give them star ratings based on how they cater for borrowers across the Low Rate, Occasional Spender, Everyday Spender, and Big Spender profiles. Whether you're busy chasing rewards and using all the features available on your card, or you're someone who struggles to pay off a balance on your card, this report can tell you how to choose the right card for your habits.

This report also explores what's happening in the credit card market, the sign-on bonuses you could get for switching to a card that better suits your profile, and the interest rates and fees on offer. Then we look at what cards are offering outstanding value out of the 53 credit cards from 10 lenders we researched and rated this year (an increase from 44 credit cards in 2014). All the best for the new year in 2016, from your team here at CANSTAR.



Mitchell Watson
Research Manager



What's happening in the credit card market?

Collectively, we love our credit cards; based on the latest statistics, we have more than \$6.6 billion outstanding on the plastic. The changes that we see on credit card offerings tend to be more subtle than revolutionary. In fact despite four movements in the official cash rate in 2015, credit card average purchase rates have crept up over the past year. 15 out of 29 products have gone up by between 0.5% and 1.0% since the same time last year.

In terms of changes in the market, the main change in the credit card space in recent times has been to BNZ products. BNZ re-freshed their offering in 2015, replacing their Fly Buys and Global Plus range of credit cards with BNZ Advantage Classic and BNZ Advantage Platinum.

BNZ Advantage gives customers a choice between either earning Fly Buys points or Cash Rewards – and the ability to switch between rewards types as often as once per month. The Advantage Visa Platinum card has picked up a 5-star award for outstanding value from CANSTAR this year, with a particularly strong performance in rewards at the two levels of annual spending we looked at in these ratings – \$24,000 and \$60,000.

Annual Interest Rate on Purchases

	Minimum	Average	Maximum
2014	12.90%	18.68%	24.95%
2015	12.69%	19.10%	25.45%

Annualised Fees

	Minimum	Average	Maximum
2014	\$ -	\$98.35	\$395.00
2015	\$ -	\$97.74	\$395.00

	BNZ Advantage Classic	BNZ Advantage Platinum
Available card types	Visa, MasterCard, American Express	Visa Platinum
Account fee (every 6 months)	\$20	\$72.50
Fly Buys earn rate	1 point per \$40 spent	1 point per \$15 spent
Cash back earn rate	\$1 per \$150 spent	\$1 per \$75 spent
Purchase interest rate	20.95% p.a.	18.95% p.a.
Interest free days (up to)	55	55
Complimentary insurances	No	Yes
Minimum credit limit	\$500	\$8,000

Source: Canstar. Based on information provided for Star Ratings



Choosing a credit card can be a tough decision – it means deciding between lower rewards and fewer features for a lower fee, or paying a higher price but getting more in return.

To illustrate this, we can look at the point at which someone might be better off applying for the Advantage Platinum over the Advantage Classic.

For cash rewards, spending \$16,500 on either card would mean net cashback rewards of \$70, with the difference in fees between the two cards being \$110 per year. This means that when spending over \$16,500, the Advantage Platinum would have a higher return than the Advantage Classic.

Taking a look at Fly Buys rewards, according to CANSTAR's database, when redeeming Fly Buys points for merchandise it will take about 4.98 points to redeem \$1 worth of rewards. With the Advantage Platinum having a Fly Buys earn rate more than double that of the Advantage Classic, the Platinum would overtake the earning of the Classic after spending about \$13,150 in one year.

What Sign-on Bonuses Could You Get?

Looking to change credit cards? What are the best sign-on bonuses on the CANSTAR database at the start of 2016?

Company	Product	Interest Free Days	Purchase Rate p.a.	Annualised Fees	Sign up bonus points	Bonus offer conditions	Offer Expiry
American Express	Air New Zealand Platinum Card	55	19.95%	\$395	800 Airpoints Dollars	Spend \$2,000 within first three months.	2-Feb-16
American Express	Platinum Edge Credit Card	55	19.95%	\$149	20,000 Bonus Points	Spend \$550 within first two months.	2-Feb-16
American Express	Platinum Card	-	Charge Card	\$1250	80,000 Bonus Points	Spend \$550 within first two months.	2-Feb-16
American Express	Air New Zealand Card	55	19.95%	Nil	50 Airpoints Dollars	Spend \$300 within first three months.	2-Feb-16

Source: Canstar. Based on products listed on Canstar database and correct at time of writing. CANSTAR is not making any suggestion or recommendation to readers about these products.

How About Balance Transfers?

Balance transfers are when you transfer the outstanding balance on your credit card to another card, usually one with a lower promotional interest rate, often as low as 0.00%. A balance transfer can be a helpful tool in paying off that Christmas gift debt as part of your 2016 New Year's resolutions, because it makes your monthly repayments easier

if you're carrying a debt over a number of bills.

Just be warned that the promotional interest rate usually reverts to a higher interest rate after a certain number of months – 6-12 in the products we ranked below. Make sure you pay off your debt in that timeframe in order to avoid paying higher interest rates.

Balance transfer products in the following table are ranked on the total cost of repaying a \$5,000 debt over 2 years.

		Balance Transfer Offer						
Company	Product	Interest Rate	Period (months)	Revert Rate	Annualised Fees	Ongoing purchase rate	Total Cost over 2 years	
BNZ	Low Rate MasterCard	0.00%	12 months	13.45%	\$60	13.45%	\$5,303.52	
ANZ Bank NZ	Low Rate MasterCard	0.00%	12 months	13.90%	\$58	13.90%	\$5,305.44	
ANZ Bank NZ	MasterCard	0.00%	12 months	20.95%	\$30	20.95%	\$5,340.00	
ANZ Bank NZ	Visa	0.00%	12 months	20.95%	\$30	20.95%	\$5,340.00	
ANZ Bank NZ	Cashback Visa	0.00%	12 months	20.95%	\$60	20.95%	\$5,403.36	
ANZ Bank NZ	Cashback MasterCard	0.00%	12 months	20.95%	\$60	20.95%	\$5,403.36	
ANZ Bank NZ	Airpoints Visa	0.00%	12 months	20.95%	\$65	20.95%	\$5,413.92	
ANZ Bank NZ	Qantas Visa	0.00%	12 months	20.95%	\$75	20.95%	\$5,435.04	
ANZ Bank NZ	Cashback Platinum MasterCard	0.00%	12 months	20.95%	\$125	20.95%	\$5,540.40	
ANZ Bank NZ	Cashback Visa Platinum	0.00%	12 months	20.95%	\$125	20.95%	\$5,540.40	
Kiwibank NZ	MasterCard Zero	1.99%	6 months	16.90%	\$0	16.90%	\$5,552.88	
Kiwibank NZ	Low Rate MasterCard	1.99%	6 months	13.45%	\$50	13.45%	\$5,553.84	
BNZ	Advantage Classic Amex	4.99%	12 months	20.95%	\$40	20.95%	\$5,564.64	
BNZ	Advantage Classic MasterCard	4.99%	12 months	20.95%	\$40	20.95%	\$5,564.64	
BNZ	Advantage Classic Visa	4.99%	12 months	20.95%	\$40	20.95%	\$5,564.64	
ANZ Bank NZ	Qantas Visa Platinum	0.00%	12 months	20.95%	\$150	20.95%	\$5,593.20	
ANZ Bank NZ	Airpoints Visa Platinum	0.00%	12 months	20.95%	\$150	20.95%	\$5,593.20	

Rates correct as at 5th January 2016. Assumes annualised fee charged once per year.

[Continue next page...](#)

Balance Transfer Offer

Company	Product	Interest Rate	Period (months)	Revert Rate	Annualised Fees	Ongoing purchase rate	Total Cost over 2 years
Kiwibank NZ	Airpoints Low Fee MasterCard	1.99%	6 months	16.90%	\$25	16.90%	\$5,605.92
ASB Bank NZ	Visa Low Rate	8.95%	6 months	13.50%	\$40	13.50%	\$5,705.28
Kiwibank NZ	MasterCard Gold	1.99%	6 months	17.90%	\$80	17.90%	\$5,753.28
BNZ	Advantage Visa Platinum	4.99%	12 months	18.95%	\$145	18.95%	\$5,761.20
Kiwibank NZ	Airpoints Standard MasterCard	1.99%	6 months	20.95%	\$65	20.95%	\$5,814.48
ASB Bank NZ	Visa Gold	8.95%	6 months	20.95%	\$80	20.95%	\$6,025.20
ASB Bank NZ	Visa Platinum	8.95%	6 months	19.95%	\$130	19.95%	\$6,102.24

Rates correct as at 5th January 2016. Assumes annualised fee charged once per year.

What Type of Credit Card Is Right For You?

Wondering what type of credit card you should get? This depends on what type of spender you are. Ultimately, it comes down to two questions:

- How much do you spend on your card each month?
- Do you pay off your card in full each month?

What type of credit card borrower are you?

CANSTAR has identified four main types of credit card borrower:

1. Low Rate
2. Everyday Spender
3. Occasional Spender
4. Big Spender

LOW RATE

Someone who uses their credit card frequently every month, but struggles to pay it off in full.

They typically spend \$14,000 a year while constantly revolving a debt of \$9,000 on their credit card.

Look for a card with a low interest rate and a low annual fee. Currently on our database the lowest interest rate is 12.69%, and there are 5 cards offering a rate of less than 15%. Don't go near rewards cards, as they usually have high monthly interest rates and large annual fees attached.

If you're drowning in debt, read our many articles on managing and clearing your credit card debt:

[10 signs that your credit card spending is out of control](#)

[De-Clutter your debt](#)

[30 ways to save money](#)

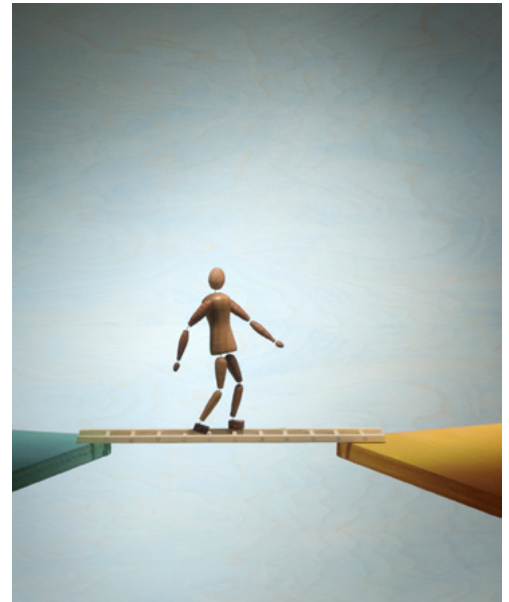
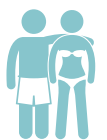
[Ways to make your budget stick](#)



OCCASIONAL SPENDER

Someone who keeps a credit card in reserve for big ticket items, going on holidays, or in case of emergencies, and then pays off the balance over a few months. Occasional Spenders typically spend \$6,000 per year on their card and they can revolve up to \$1,500 twice a year, so they should look for a maximum credit limit of \$1,500 or more.

You might want to check out the selection of cards with a low interest rate and low or no annual fees. Finding a credit card that works for you, not against you, is easy if you carefully examine what you spend and how you spend it. Interest-free days aren't going to benefit you all that much if you are carrying a balance over several bills.



EVERYDAY SPENDER



Someone who uses their card frequently every month, but is able to pay off the card in full each month. In 2015, 58% of banking customers [surveyed by Canstar Blue NZ](#) said they pay their balance in full every month, which is great to hear.

The Everyday Spender typically puts about \$2,000 per month or \$24,000 a year on the card. An Everyday Spender should look for a maximum credit limit of \$3,000 or more, as they can revolve up to \$3,000 once a year.

It doesn't matter as much what interest rate you get, since you don't plan to pay interest! You might want to look for the maximum number of interest-free days, since the everyday spender tends to hold back on repaying until the eleventh hour. Currently we list 27 credit cards for the Everyday Spender that have 55 interest-free days.

Depending on your overall "spend" per year, it may also be worth looking into a few rewards offerings and other features – as long as the benefits outweigh the cost.

Everyday spenders might be interested in our articles on keeping your everyday costs low:

[Paying your bills on time](#)

[Get credit card wise this Christmas](#)

[How to check your credit rating](#)

BIG SPENDER



Someone who spends a lot on their card and always pays in full before interest is charged. Big Spenders routinely put around \$5,000 or more per month, or \$60,000 or more per year, through their card. Cards for a Big Spender should have a maximum credit limit of \$9,000 or more, as this borrower can revolve up to \$9,000 once a year.

The interest rate is no problem if you're paying it off before interest is charged, so you can look for a card with either no annual fee or a great rewards program. You usually won't get both, but if you use your card a lot, you may as well make it work for you. Currently we list 38 credit cards for high use.

Cards aimed at Big Spenders often have a high annual fee and high interest rates, so a few missed payments can write off any rewards you received. Make sure you pay it off like clockwork!

Take a look at our hints and tips for getting the most out of your rewards credit card as a Big Spender:

[Are you self-gifting this year?](#)

[Valentine's Day? Concierge!](#)

[Credit cards: choose the reward that suits your spending](#)

[Hey, big spender](#)

WHO OFFERS OUTSTANDING VALUE?

CANSTAR congratulates all of our 5-star winners in 2016!

American Express NZ

Outstanding Value for Occasional Spender:

In the **Occasional Spender profile**, American Express NZ's Air New Zealand Card offers an interest rate of 19.95%, 55 interest-free days and a \$25,000 maximum credit limit, and a rewards program with Airpoints – all with no annual fee. American Express NZ offer rewards that can be used for travel, retail, entertainment, and cash back on your statement charges.

American Express was founded in 1850 as an express freight company during America's westward expansion, using the watchdog as its mascot to symbolise its trust, security, vigilance, and service. American Express launched its money order business in 1882, issued its first charge card in 1958, and now issues the world's largest number of credit cards.



AMEX's 24/7 customer service means they can take care of their customers' needs no matter where in the world they live or travel. They can even provide a replacement for a lost or stolen card [in 24 hours](#).

When it comes to supporting our local Kiwi community, American Express has been sponsoring our annual [Queenstown Winter Festival](#) for the past 25 years and fundraises for local charities and community groups. American Express globally is a strong supporter of diversity and has many [cultural Employee Network groups](#), such as the SALT group for Christian employees wanting to make a positive difference in their workplace.

As for protecting the environment, American Express reduced its carbon emissions by 27.5% between 2007-2012, then reduced emissions by 9% against the new 2011 baseline by 2014. In 2014, 55% of the electricity used to power American Express operations was renewably sourced, and 70% of the electricity used by their massive data centres was green power. 30% of their facilities are green-building certified. American

Express also provided over \$900,000 for environment and wildlife preservation in 2014, through their Gift Matching and Serve2Gether grant programs.

ANZ Bank

Outstanding Value for Low

Rate, Everyday Spender, Big Spender:

In 2016, ANZ Bank has followed up their success in our previous ratings by receiving a 5-star rating for outstanding value for the Low Rate, Everyday Spender, and Big Spender borrower profiles. ANZ Bank have won many CANSTAR awards over the years.



Credit Card



In the **Low Rate profile**, ANZ's Low Rate MasterCard offers a low interest rate of 13.90% and 55 interest-free days, with no maximum credit limit, for an annual fee of \$58. The ANZ Low Rate MasterCard previously won the 5-star for outstanding value in the Low Rate profile in 2014.

In the **Everyday Spender** and **Big Spender profiles**, ANZ's Airpoints Visa Platinum offers a great rewards program, at an interest rate of 20.95% and 44 interest-free days, with no maximum credit limit, for an annual fee of \$150.

ANZ Bank has a long history, founded in 1835 in Sydney as the Bank of Australasia. Nearly 1 in 2 Kiwis have a banking relationship with one of the ANZ brands. They are New Zealand's largest rural banker, serving 39% of rural Kiwis.

ANZ Bank work hard to show that they care about our community and the environment. Since 1990, ANZ staff have fundraised over \$15 million for The Cancer Society. ANZ Bank has had carbon neutral operations since 2010.

ANZ has a wealth of financial information online, and you can also visit [ANZ FutureWise](#), an easy-to-use online resource that helps you plan for your future retirement.

ASB Bank NZ

Outstanding Value for Low Rate, Occasional Spender:

ASB Bank NZ was a “rising star” in our previous star ratings for the Occasional Spender profile, and in 2015 they have solidified that standing with an impressive 5-star rating for outstanding value.

In the **Low Rate** and **Occasional Spender** profiles, ASB Bank’s Visa Low Rate card offers a low interest rate of 13.50% and 55 interest-free days, with no maximum credit limit, for an annual fee of \$40.



The first Auckland Savings Bank (now ASB Bank NZ) was founded in 1847 with the oath “to serve the community, to grow, and to help Kiwis grow”. They now serve more than 1.3 million customers, and are a major sponsor of St. John’s community CPR training and the Starship Foundation for child patients and their families.

ASB Bank boasts a number of country-wide banking firsts:

- First internet banking site (1997)
- First no-branch bank (1997)
- First 7-day branch (1998)
- First to offer online share trading in both New Zealand and Australian share markets (1999)
- First mobile internet banking (1999)

ASB Bank won CANSTAR’s Innovation Excellence Award in 2014 for their Rural Environmental Compliance Loan. They also train farmers to balance productivity and sustainability in a 2-day course in partnership with Agri One Limited.

BNZ (Bank of New Zealand)

Outstanding Value for Low Rate, Everyday Spender, Big Spender:

In 2015, BNZ won CANSTAR’s awards for Bank of the Year for Small Business, and Bank of the Year for Everyday Banking, as well as these 5-star ratings for outstanding value in credit cards.



In the **Low Rate** profile, BNZ’s Low Rate MasterCard offers a low interest rate of 13.45% and 55 interest-free days, with no maximum credit limit, for an annual fee of \$60.

In the **Everyday Spender** and **Big Spender** profiles, BNZ’s Advantage Visa Platinum offers a great rewards program, at an interest rate of 18.95% and 55 interest-free days, with no maximum credit limit, for an annual fee of \$145. BNZ previously won the 5-star for outstanding value in the Everyday Spender and Big Spender profiles in 2014 for their Platinum Visa products.

Bank of New Zealand opened their first office in 1861 on Queen St, Auckland, and acquired the account of the Central Government from the Union Bank. BNZ is one of New Zealand’s largest Fairtrade workplaces.

BNZ created a number of country-wide banking firsts:

- First to open a mobile banking office in a caravan (1940s)
- First to begin granting personal loans (1940s)
- First bank to become carbon neutral (2010)

Kiwibank NZ

Outstanding Value for Low Rate, Occasional Spender, Everyday Spender, Big Spender:

In the **Low Rate** profile, Kiwibank’s Low Rate MasterCard offers a low interest rate of 13.45% and 55 interest-free days, with a maximum credit limit of \$20,000, for an annual fee of \$50. This card previously won the 5-star for outstanding value in the Low Rate profile.

In the **Occasional Spender** profile, Kiwibank’s Airpoints Low Fee MasterCard, Low Rate MasterCard, and MasterCard Zero offer outstanding value, following up on their previous success. The Kiwibank Airpoints Low Fee MasterCard offers an interest rate of 16.90% and 44 interest-free days, with no maximum credit limit, for a low annual fee of \$25. The Kiwibank MasterCard Zero offers an interest rate of 16.90% and 55 interest-free days, with a maximum credit limit of \$20,000, with no annual fee.



In the **Everyday Spender profile**, Kiwibank's Airpoints Low Fee MasterCard and Airpoints Platinum MasterCard offer outstanding value.

In the **Big Spender profile**, Kiwibank's Airpoints Platinum MasterCard offers a great rewards program, an interest rate of 20.95% and 44 interest-free days, with no maximum credit limit, for an annual fee of \$150.

Kiwibank was founded in 2002 in an effort to keep New Zealanders' money in New Zealand, and they are 100% Kiwi-owned. You can find them in more than 250 PostShops nationwide. That's probably why they have so many customers – 800,000, in fact.

One of Kiwibank's star innovations is [Heaps!](#), a financial services tool that gathers the online banking information from all of your accounts to show your overall financial position, set a budget, and set savings goals.

Kiwibank has a special savings account for non-profit organisations – if you're helping others, they want to help you. Kiwibank have won several CANSTAR banking awards over the years.

Westpac NZ

Outstanding Value for Low Rate, Everyday Spender, Big Spender:

In the **Low Rate profile**, Westpac NZ's Low Rate MasterCard offers a low interest rate of 13.45% and 55 interest-free days, with no maximum credit limit, for an annual fee of \$55. This follows their 5-star rating for this profile last year.

In the **Everyday Spender** and **Big Spender profiles**, Westpac NZ's Airpoints Platinum MasterCard and hotpoints Platinum MasterCard offer outstanding value, following their 5-star success in these profiles in 2014. The Airpoints Platinum MasterCard offers an interest rate of 20.95% and 44 interest-free days, with no maximum credit limit, for an annual fee of \$145. The hotpoints Platinum MasterCard offers an interest rate of 20.95% and 55 interest-free days, with no maximum credit limit, for an annual fee of \$125.

Westpac New Zealand was born in 1861, when the Bank of NSW bought the New Zealand branch of the Oriental Bank and began business on the gold fields of Otago. They now serve over 1.3 million customers across the country. Westpac NZ supported the Canterbury rebuild, and partners with Westpac Rescue Helicopters and the NZ Blood Service to save lives.



Westpac NZ promotes diversity in every aspect of business. The predecessor of Westpac NZ, CBA New Zealand, was the first bank to lend money to women, with their "Yes, we do lend money to women" campaign in 1974. They are now our nation's first [dementia-friendly bank](#), to support the 2 out of 3 Kiwis whose daily lives are affected by having dementia or caring for someone with dementia.

Westpac NZ is committed to "future-proofing" our nation and our world. Their hotpoints credit card rewards program includes eco-conscious rewards. Since 2008, Westpac NZ has reduced their carbon footprint by 35%, far more than their 20% target, and they use 100% recycled plastic in their EFTPOS cards. In 2013, they partnered with Meridian Energy to launch the Solar Shed package, which gives farmers easy and affordable access to solar energy and reduce farming costs.



METHODOLOGY

CREDIT CARD STAR RATING

What are the CANSTAR *Credit Card Star Ratings*?

CANSTAR *credit card star ratings* are a sophisticated rating methodology, unique to CANSTAR, which compare the dominant credit card products in New Zealand and present the results in a simple, user-friendly format.

Our rating methodology is transparent and extensive. The methodology compares all types of personal unsecured credit cards in New Zealand and accounts for an array of characteristics such as;

- Free Days
- Security
- Standard Features
- Premium Features
- Reward/Loyalty Programmes
- No Frills

The results are reflected in a consumer-friendly 5-star concept. The star ratings from the CANSTAR *credit card star ratings* are described as follows:

What are the Profiles used by CANSTAR credit card star ratings?

CANSTAR appreciates that credit card users have different spending habits and therefore value different aspects of their credit card. In recognition of these differences, the CANSTAR *credit card star ratings* methodology has been modified to reflect a range of spending styles and credit card usage.

Profile Name	Description
Low Rate	Do you keep spending on your credit card before you have paid it off?
Occasional Spender	Do you make the occasional big purchase and then slowly pay it off?
Everyday Spender	Do you Spend \$2000 each month and then pay off your card?
Big Spender	Do you Spend \$5000 each month and then pay off your balance?

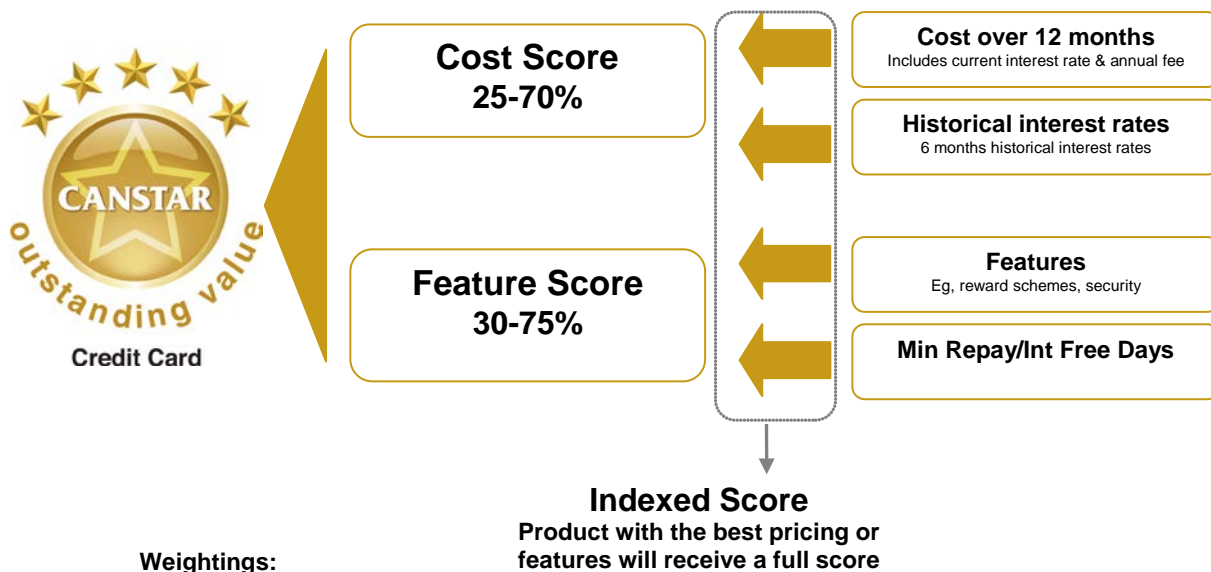
CANSTAR has adopted four different credit card user profiles in an attempt to cover the majority of card spending and payment patterns. The star ratings methodology differs for each profile in terms of the relative importance placed on the fees and features of the cards assessed. For example the methodology recognises that interest rates will be more important to someone who rarely pays off their card balance each month than they will be for someone who always pays the balance owing on their card.

How does it work? How are the '*stars*' calculated?

Each credit card reviewed for the CANSTAR *credit card star ratings* is awarded points for its comparative Costs and for the array of positive Features attached to the card. These features include rewards programmes, premium card facilities, repayment capabilities and conditions attached to interest charging.

To arrive at the total score CANSTAR applies a weight (w) against the Cost score (C) and the Features score (F). This weight will vary for each profile of credit card usage. The weight will reflect the relative importance of either costs or features in determining the best card for the type of credit card usage and payment.

$$w_1 \text{COST SCORE (C)} + w_2 \text{FEATURES SCORE (F)} = \text{TOTAL SCORE (T)}$$



Profiles	COST			FEATURES			
	PRICE SCORE	Cost over 12 months	Historical Rates	FEATURE SCORE	Product features	Free days	Min Repayment
Constant Credit	70%	60%	40%	30%	83%	0%	17%
Occasional Spender	70%	60%	40%	30%	87%	13%	0%
Everyday Spender	35%	70%	30%	65%	90%	10%	0%
Big Spender	25%	70%	30%	75%	90%	10%	0%

Costs (C)

CANSTAR compares both current and historical credit card pricing data to calculate the COST (C) component of each product's overall score. Current data is used to calculate the annual cost to the cardholder for using each card. The cost of each card varies depending on the characteristics of the spending profile. Below are some of the spending and revolving details used in the calculation of the cost of each credit card.

- 1) **Current Data** – includes a scenario for each of the four credit card spending profiles
 - Low Rate - spends \$14,000 per year while revolving \$9,000
 - Everyday Spender - spends \$24,000 per year and revolves \$3000 once a year
 - Occasional Spender - spends \$6,000 per year and revolves \$1,500 twice a year
 - Big Spender - spends \$60,000 per year and revolves \$9,000 once a year
- 2) **Historical Performance of Interest Rate** – takes into account the product history in the last 6 months.

Features (F)

Each card Feature (F) is allocated points. Points are awarded for positive credit card traits such as no fees or greater flexibility. The total features score for each category of information (e.g. repayment capabilities) is ranked and weighted with each category contributing to the overall Features Score (F). As Features are relatively static, they are not measured over time.

Weightings

The Costs and Features are weighted differently for each spending profile. This is done in recognition of the relative importance of the different product components to each profile.

The methodology for each profile is subtly adjusted to account for the differences between them. The process considers each profile separately and assigns weights representative of that profile (see table below). In the *Low Rate* profile, for example, the rates and fees associated with a card account for 70% of that card's total score and the features account for the remaining 30%. The cards targeting this user demographic have fewer features, less flexibility and compete mainly on pricing. The cards targeting the Big Spender on the other hand (e.g. Gold, Platinum

or rewards cards) typically offer more features. The Big spender profile has therefore been adjusted so that features account for 75% of the total score, while rates and fees account for 25%.

The Costs (C) plus Features (F) point scores are indexed and totaled to provide the Total Index Points. Together they form the basis of the credit card star ratings.

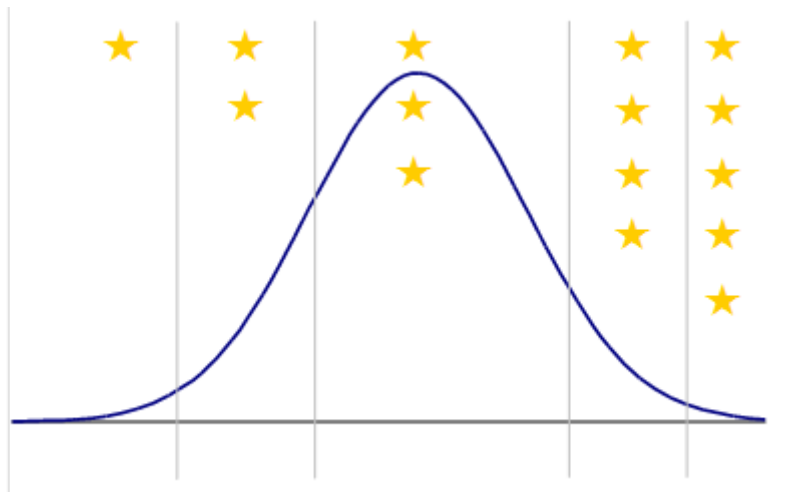
FEATURES WEIGHTS USED IN STAR RATINGS SCORING				
FEATURES CATEGORY	LOW RATE	OCCASIONAL SPENDER	EVERYDAY SPENDER	BIG SPENDER
Additional Fees & Charges	14%	21%	6%	5%
Lending Terms	22%	17%	7%	6%
Late Payment Interest Charging	12%	12%	11%	9%
Merchant Acceptability	16%	15%	10%	8%
Online Transactions/Card Security	14%	16%	7%	6%
Premium Card Facilities	3%	3%	17%	24%
Repayment Capabilities	7%	6%	4%	3%
Rewards Programme	4%	4%	33%*	35%**
Special Purchasing Policies	1%	1%	1%	1%
Application Process	7%	5%	4%	3%

*based on the best \$24k rewards star ratings (for companion cards, 35% of weight allocated to Amex, 65% to Visa/MasterCard)

**based on the best \$60k rewards star rating (for companion cards, 40% of weight allocated to Amex, 60% to Visa/MasterCard)

How are the stars awarded?

The total score received for each profile ranks the products. The stars are then awarded based on the distribution of the scores according to the following guidelines. As you can see, only the products that obtain a score in the top 10% of the of the score distribution receive a 5 star rating.



The results are reflected in a consumer-friendly CANSTAR star rating concept, with five stars denoting outstanding value.

Does CANSTAR rate all products available in the market?

We endeavour to include the majority of product providers in the market and to compare the product features most relevant to consumers in our ratings. However this process is not always possible and it may be that not every product in the market is included in the rating nor every feature compared that is relevant to you.

How often are CANSTAR *Credit Card Star Ratings* re-rated?

All ratings are fully recalculated every 12 months based on the latest features offered by each institution. CANSTAR also monitors rate changes on an ongoing basis.

Does CANSTAR rate other product areas?

CANSTAR researches, compares and rates the suite of banking and insurance products listed below. These star ratings use similar methodologies to guarantee quality, consistency and transparency. Results are freely available to consumers who use the star ratings as a guide to product excellence. The use of similar star ratings logos also builds consumer recognition of quality products across all categories. Please access the CANSTAR website at www.canstar.co.nz if you would like to view the latest star ratings reports of interest.



- Business deposits
- Credit cards
- Credit card rewards
- Home loans
- Kiwisaver
- Online banking
- Personal loans
- Savings accounts
- Transaction accounts
- Term deposits

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Credit Card Star Ratings

Report Date: November 2015

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Low rate

Company	Product	Purchase Rate (p.a.)	Interest Free Days	Ongoing fees		Credit Limit (\$)		Rewards Program Available
				Annualised Ongoing Fee	Spend to Waive Ongoing Fees (\$)	Minimum	Maximum	
★★★★★ "outstanding value"								
ANZ Bank	Low Rate MasterCard	13.90%	55	\$58	-	500	-	✗
ASB Bank	Visa Low Rate	13.50%	55	\$40	-	1,000	-	✗
BNZ	Low Rate MasterCard	13.45%	55	\$60	-	500	-	✗
Kiwibank	Low Rate MasterCard	13.45%	55	\$50	-	500	20,000	✗
Westpac	Low Rate MasterCard	13.45%	55	\$65	-	500	-	✗
★★★★★								
American Express	Low Rate Credit Card	12.69%	55	\$59	-	-	-	✗
BNZ	Advantage Visa Platinum	18.95%	55	\$145	-	8,000	-	✓
Kiwibank	Airpoints Low Fee MasterCard	16.90%	44	\$25	-	500	-	✓
Kiwibank	MasterCard Gold	17.90%	55	\$80	-	5,000	20,000	✗
Kiwibank	MasterCard Zero	16.90%	55	\$60	Use every 3 mths	500	20,000	✗
★★★								
ANZ Bank	Airpoints Visa	20.95%	44	\$65	-	500	-	✓
ANZ Bank	Airpoints Visa Platinum	20.95%	44	\$150	-	8,000	-	✓
ANZ Bank	Cashback MasterCard	20.95%	55	\$60	-	500	-	✓
ANZ Bank	Cashback Visa Platinum	20.95%	55	\$125	-	8,000	-	✓
ANZ Bank	MasterCard	20.95%	55	\$30	-	500	-	✗
ANZ Bank	Qantas Visa	20.95%	44	\$75	-	500	-	✓
ANZ Bank	Qantas Visa Platinum	20.95%	44	\$150	-	10,000	-	✓
ASB Bank	Visa	20.95%	55	\$24	-	500	-	✓
ASB Bank	Visa Gold	20.95%	55	\$80	-	5,000	-	✓
ASB Bank	Visa Platinum	19.95%	55	\$130	-	8,000	-	✓
BNZ	Advantage Classic MasterCard	20.95%	55	\$40	-	500	-	✓
BNZ	Advantage Classic Visa	20.95%	55	\$40	-	500	-	✓
GE Money	Onecard Visa	19.99%	55	\$65	-	500	-	✓
Kiwibank	Airpoints Platinum MasterCard	20.95%	44	\$150	-	10,000	-	✓
Kiwibank	Airpoints Standard MasterCard	20.95%	44	\$65	-	500	-	✓
TSB Bank	Visa Card	18.50%	55	\$30	-	500	-	✗
Westpac	hotpoints World MasterCard	16.95%	44	\$390	100,000	18,000	-	✓
★★								
American Express	Air New Zealand Card	19.95%	55	\$0	-	2,000	25,000	✓
American Express	Platinum Edge Credit Card	19.95%	55	\$149	-	5,000	100,000	✓
BNZ	Advantage Classic Amex	20.95%	55	\$40	-	500	-	✓
Westpac	Airpoints MasterCard	20.95%	55	\$55	-	500	-	✓
Westpac	Airpoints Platinum MasterCard	20.95%	44	\$145	-	10,000	-	✓
Westpac	Airpoints World MasterCard	16.95%	44	\$390	100,000	18,000	-	✓
Westpac	hotpoints MasterCard	20.95%	55	\$44	-	500	-	✓
Westpac	hotpoints Platinum MasterCard	20.95%	55	\$125	-	8,000	-	✓
★								
American Express	Air New Zealand Platinum Card	19.95%	55	\$395	-	5,000	100,000	✓
Diners Club New Zealand	Personal Credit Card	19.95%	44	\$68	-	500	-	✓
GE Money	Gem Visa	25.45%	55	\$52	-	500	-	✗



Credit Card Star Ratings

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Occasional Spender

Company	Product	Purchase Rate (p.a.)	Interest Free Days	Ongoing fees		Credit Limit (\$)		Rewards Program Available
				Annualised Ongoing Fee	Spend to Waive Ongoing Fees (\$)	Minimum	Maximum	
★★★★★ "outstanding value"								
American Express	Air New Zealand Card	19.95%	55	\$0	-	2,000	25,000	✓
ASB Bank	Visa Low Rate	13.50%	55	\$40	-	1,000	-	✗
Kiwibank	Airpoints Low Fee MasterCard	16.90%	44	\$25	-	500	-	✓
Kiwibank	Low Rate MasterCard	13.45%	55	\$50	-	500	20,000	✗
Kiwibank	MasterCard Zero	16.90%	55	\$60	Use every 3 mths	500	20,000	✗
★★★★								
American Express	Low Rate Credit Card	12.69%	55	\$59	-	-	-	✗
ANZ Bank	Low Rate MasterCard	13.90%	55	\$58	-	500	-	✗
ASB Bank	Visa	20.95%	55	\$24	-	500	-	✓
BNZ	Low Rate MasterCard	13.45%	55	\$60	-	500	-	✗
TSB Bank	Visa Card	18.50%	55	\$30	-	500	-	✗
Westpac	Low Rate MasterCard	13.45%	55	\$65	-	500	-	✗
★★★								
ANZ Bank	Airpoints Visa	20.95%	44	\$65	-	500	-	✓
ANZ Bank	Cashback MasterCard	20.95%	55	\$60	-	500	-	✓
ANZ Bank	Cashback Visa Platinum	20.95%	55	\$125	-	8,000	-	✓
ANZ Bank	MasterCard	20.95%	55	\$30	-	500	-	✗
ANZ Bank	Qantas Visa	20.95%	44	\$75	-	500	-	✓
ASB Bank	Visa Gold	20.95%	55	\$80	-	5,000	-	✓
ASB Bank	Visa Platinum	19.95%	55	\$130	-	8,000	-	✓
BNZ	Advantage Classic Amex	20.95%	55	\$40	-	500	-	✓
BNZ	Advantage Classic MasterCard	20.95%	55	\$40	-	500	-	✓
BNZ	Advantage Classic Visa	20.95%	55	\$40	-	500	-	✓
BNZ	Advantage Visa Platinum	18.95%	55	\$145	-	8,000	-	✓
GE Money	Onecard Visa	19.99%	55	\$65	-	500	-	✓
Kiwibank	Airpoints Standard MasterCard	20.95%	44	\$65	-	500	-	✓
Kiwibank	MasterCard Gold	17.90%	55	\$80	-	5,000	20,000	✗
Westpac	Airpoints MasterCard	20.95%	55	\$55	-	500	-	✓
Westpac	hotpoints MasterCard	20.95%	55	\$44	-	500	-	✓
★★								
ANZ Bank	Airpoints Visa Platinum	20.95%	44	\$150	-	8,000	-	✓
ANZ Bank	Qantas Visa Platinum	20.95%	44	\$150	-	10,000	-	✓
Kiwibank	Airpoints Platinum MasterCard	20.95%	44	\$150	-	10,000	-	✓
Westpac	Airpoints Platinum MasterCard	20.95%	44	\$145	-	10,000	-	✓
Westpac	Airpoints World MasterCard	16.95%	44	\$390	100,000	18,000	-	✓
Westpac	hotpoints Platinum MasterCard	20.95%	55	\$125	-	8,000	-	✓
Westpac	hotpoints World MasterCard	16.95%	44	\$390	100,000	18,000	-	✓
★								
American Express	Air New Zealand Platinum Card	19.95%	55	\$395	-	5,000	100,000	✓
American Express	Platinum Edge Credit Card	19.95%	55	\$149	-	5,000	100,000	✓
Diners Club New Zealand	Personal Credit Card	19.95%	44	\$68	-	500	-	✓
GE Money	Gem Visa	25.45%	55	\$52	-	500	-	✗



Credit Card Star Ratings

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Everyday Spender

Company	Product	Purchase Rate (p.a.)	Interest Free Days	Ongoing fees		Credit Limit (\$)		Rewards Program Available
				Annualised Ongoing Fee	Spend to Waive Ongoing Fees (\$)	Minimum	Maximum	
★★★★★ "outstanding value"								
ANZ Bank	Airpoints Visa Platinum	20.95%	44	\$150	-	8,000	-	✓
BNZ	Advantage Visa Platinum	18.95%	55	\$145	-	8,000	-	✓
Kiwibank	Airpoints Low Fee MasterCard	16.90%	44	\$25	-	500	-	✓
Kiwibank	Airpoints Platinum MasterCard	20.95%	44	\$150	-	10,000	-	✓
Westpac	Airpoints Platinum MasterCard	20.95%	44	\$145	-	10,000	-	✓
Westpac	hotpoints Platinum MasterCard	20.95%	55	\$125	-	8,000	-	✓
★★★★								
American Express	Air New Zealand Card	19.95%	55	\$0	-	2,000	25,000	✓
ANZ Bank	Cashback MasterCard	20.95%	55	\$60	-	500	-	✓
ANZ Bank	Cashback Visa Platinum	20.95%	55	\$125	-	8,000	-	✓
ASB Bank	Visa	20.95%	55	\$24	-	500	-	✓
ASB Bank	Visa Platinum	19.95%	55	\$130	-	8,000	-	✓
★★★								
American Express	Platinum Edge Credit Card	19.95%	55	\$149	-	5,000	100,000	✓
ANZ Bank	Airpoints Visa	20.95%	44	\$65	-	500	-	✓
ANZ Bank	Qantas Visa	20.95%	44	\$75	-	500	-	✓
ANZ Bank	Qantas Visa Platinum	20.95%	44	\$150	-	10,000	-	✓
ASB Bank	Visa Gold	20.95%	55	\$80	-	5,000	-	✓
ASB Bank	Visa Low Rate	13.50%	55	\$40	-	1,000	-	✗
BNZ	Advantage Classic MasterCard	20.95%	55	\$40	-	500	-	✓
BNZ	Advantage Classic Visa	20.95%	55	\$40	-	500	-	✓
BNZ	Low Rate MasterCard	13.45%	55	\$60	-	500	-	✗
GE Money	Onecard Visa	19.99%	55	\$65	-	500	-	✓
Kiwibank	Airpoints Standard MasterCard	20.95%	44	\$65	-	500	-	✓
Kiwibank	Low Rate MasterCard	13.45%	55	\$50	-	500	20,000	✗
Kiwibank	MasterCard Gold	17.90%	55	\$80	-	5,000	20,000	✗
Kiwibank	MasterCard Zero	16.90%	55	\$60	Use every 3 mths	500	20,000	✗
Westpac	Airpoints MasterCard	20.95%	55	\$55	-	500	-	✓
Westpac	Airpoints World MasterCard	16.95%	44	\$390	100,000	18,000	-	✓
Westpac	hotpoints MasterCard	20.95%	55	\$44	-	500	-	✓
★★								
American Express	Air New Zealand Platinum Card	19.95%	55	\$395	-	5,000	100,000	✓
ANZ Bank	Low Rate MasterCard	13.90%	55	\$58	-	500	-	✗
ANZ Bank	MasterCard	20.95%	55	\$30	-	500	-	✗
BNZ	Advantage Classic Amex	20.95%	55	\$40	-	500	-	✓
TSB Bank	Visa Card	18.50%	55	\$30	-	500	-	✗
Westpac	hotpoints World MasterCard	16.95%	44	\$390	100,000	18,000	-	✓
Westpac	Low Rate MasterCard	13.45%	55	\$65	-	500	-	✗
★								
American Express	Low Rate Credit Card	12.69%	55	\$59	-	-	-	✗
Diners Club New Zealand	Personal Credit Card	19.95%	44	\$68	-	500	-	✓
GE Money	Gem Visa	25.45%	55	\$52	-	500	-	✗



Credit Card Star Ratings

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Big Spender

Company	Product	Purchase Rate (p.a.)	Interest Free Days	Ongoing fees		Credit Limit (\$)		Rewards Program Available
				Annualised Ongoing Fee	Spend to Waive Ongoing Fees (\$)	Minimum	Maximum	
★★★★★ "outstanding value"								
ANZ Bank	Airpoints Visa Platinum	20.95%	44	\$150	-	8,000	-	✓
BNZ	Advantage Visa Platinum	18.95%	55	\$145	-	8,000	-	✓
Kiwibank	Airpoints Platinum MasterCard	20.95%	44	\$150	-	10,000	-	✓
Westpac	Airpoints Platinum MasterCard	20.95%	44	\$145	-	10,000	-	✓
Westpac	hotpoints Platinum MasterCard	20.95%	55	\$125	-	8,000	-	✓
★★★★								
ANZ Bank	Cashback Visa Platinum	20.95%	55	\$125	-	8,000	-	✓
ASB Bank	Visa Gold	20.95%	55	\$80	-	5,000	-	✓
ASB Bank	Visa Platinum	19.95%	55	\$130	-	8,000	-	✓
Westpac	Airpoints World MasterCard	16.95%	44	\$390	100,000	18,000	-	✓
Westpac	hotpoints World MasterCard	16.95%	44	\$390	100,000	18,000	-	✓
★★★								
American Express	Air New Zealand Card	19.95%	55	\$0	-	2,000	25,000	✓
American Express	Air New Zealand Platinum Card	19.95%	55	\$395	-	5,000	100,000	✓
American Express	Platinum Edge Credit Card	19.95%	55	\$149	-	5,000	100,000	✓
ANZ Bank	Airpoints Visa	20.95%	44	\$65	-	500	-	✓
ANZ Bank	Cashback MasterCard	20.95%	55	\$60	-	500	-	✓
ANZ Bank	Low Rate MasterCard	13.90%	55	\$58	-	500	-	✗
ANZ Bank	Qantas Visa Platinum	20.95%	44	\$150	-	10,000	-	✓
ASB Bank	Visa	20.95%	55	\$24	-	500	-	✓
ASB Bank	Visa Low Rate	13.50%	55	\$40	-	1,000	-	✗
BNZ	Advantage Classic MasterCard	20.95%	55	\$40	-	500	-	✓
BNZ	Advantage Classic Visa	20.95%	55	\$40	-	500	-	✓
BNZ	Low Rate MasterCard	13.45%	55	\$60	-	500	-	✗
GE Money	Onecard Visa	19.99%	55	\$65	-	500	-	✓
Kiwibank	Airpoints Low Fee MasterCard	16.90%	44	\$25	-	500	-	✓
Kiwibank	Airpoints Standard MasterCard	20.95%	44	\$65	-	500	-	✓
Kiwibank	Low Rate MasterCard	13.45%	55	\$50	-	500	20,000	✗
Kiwibank	MasterCard Gold	17.90%	55	\$80	-	5,000	20,000	✗
Kiwibank	MasterCard Zero	16.90%	55	\$60	Use every 3 mths	500	20,000	✗
Westpac	Airpoints MasterCard	20.95%	55	\$55	-	500	-	✓
Westpac	hotpoints MasterCard	20.95%	55	\$44	-	500	-	✓
Westpac	Low Rate MasterCard	13.45%	55	\$65	-	500	-	✗
★★								
ANZ Bank	MasterCard	20.95%	55	\$30	-	500	-	✗
ANZ Bank	Qantas Visa	20.95%	44	\$75	-	500	-	✓
BNZ	Advantage Classic Amex	20.95%	55	\$40	-	500	-	✓
TSB Bank	Visa Card	18.50%	55	\$30	-	500	-	✗
★								
American Express	Low Rate Credit Card	12.69%	55	\$59	-	-	-	✗
Diners Club New Zealand	Personal Credit Card	19.95%	44	\$68	-	500	-	✓
GE Money	Gem Visa	25.45%	55	\$52	-	500	-	✗