



### What are the Canstar *Travel Credit and Debit Card Star Ratings*?

Canstar's *Travel Credit and Debit Card Star Ratings* uses a sophisticated and unique ratings methodology that compares both cost and features across both credit cards and deposit accounts with card access (debit cards), with a particular focus on the features and fees related to overseas travel. Canstar star ratings represent a shortlist of products, enabling consumers to narrow their search to products that have been thoroughly assessed and ranked. Canstar's *Travel Credit and Debit Cards Star Ratings* are a transparent analysis comparing a range of credit and debit cards across the market.

Ratings range from five stars to one star. Five-star rated products have been assessed as offering outstanding value to consumers. The titles of "**Outstanding Value - Travel Credit Card**" and "**Outstanding Value - Travel Debit Card**" are awarded to products that obtain a five-star rating based on performance across the judging criteria outlined in this document.

### Eligibility Requirements

In order to be considered for the star rating, a product must meet the following requirements:

Product Type	Eligibility
Travel Credit Card	Personal, unsecured credit cards and charge cards with access to point of sale and ATMs overseas
Travel Debit Card	Personal deposit accounts with access to point of sale and ATMs overseas

### Profile Description

Canstar appreciates that travellers have different spending habits and therefore value different features in their cards that they take overseas. In recognition of these differences, the Canstar *Travel Credit and Debit Card Star Ratings* reflect a range of spending styles and card usage patterns.

Product Type	Profile Name	Summary
Credit Card	Occasional Overseas Traveller	For consumers looking for a low cost credit card to take on an overseas trip, perhaps as a once-off or once a year. <ul style="list-style-type: none"> <li>Total cost of an annual travel scenario with \$5,000 spent.</li> <li>Includes annual fee waivers where applicable.</li> <li>Ease of activation and depth of travel insurance offering.</li> <li>Security and ATM access overseas.</li> </ul>
	Regular Overseas Traveller	For consumers looking for fully-featured credit card to use overseas on a regular basis or at least a few times per year. <ul style="list-style-type: none"> <li>Total cost of an annual travel scenario with \$10,000 spent.</li> <li>Includes annual fee waivers where applicable.</li> <li>Rewards on spending are considered.</li> <li>Ease of activation and depth of travel insurance offering.</li> <li>Security and ATM access overseas.</li> </ul>
Deposit Account (Debit Card)	Overseas Travel	For consumers looking to spend their own money overseas – combination of ATM usage and Point of Sale. <ul style="list-style-type: none"> <li>Total cost of a travel scenario with \$5,000 spent.</li> <li>Includes annual fee waivers where applicable.</li> <li>Account is kept active for 3 months.</li> <li>Access to an overseas ATM network.</li> <li>Other fees and charges.</li> </ul>

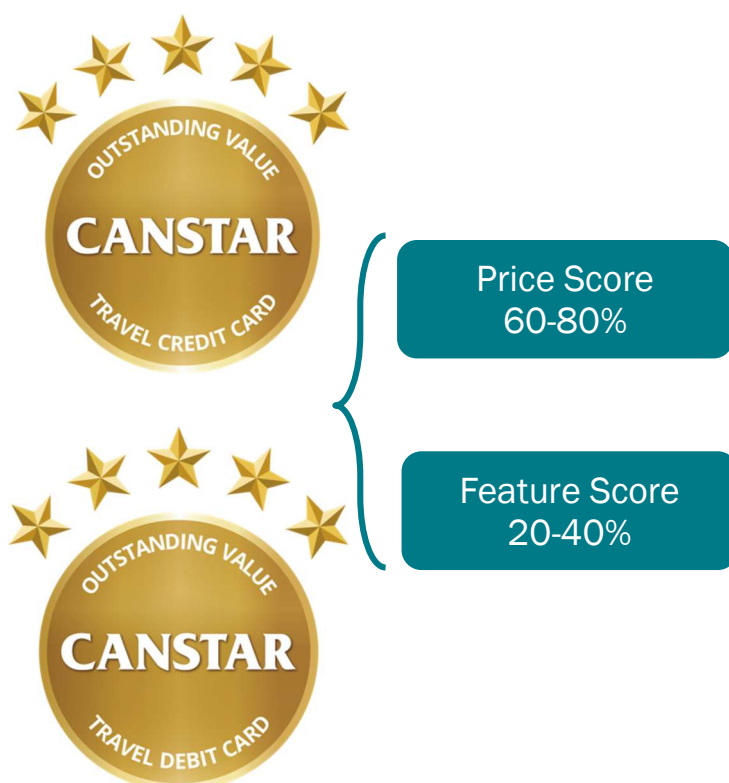
Canstar has adopted three different user profiles across credit and debit cards in an attempt to cover different types of spending patterns. The star ratings methodology differs for each profile in terms of the relative importance placed on the fees and features of the products assessed. For example, the methodology recognises that a “Regular Overseas Traveller” may gain more from having a premium card that includes features such as travel insurance and airport lounge access, than someone who is looking for a credit card to take with them on a once-off overseas trip.

## Star Ratings Methodology

Each credit and debit card reviewed for the Canstar *Travel Credit and Debit Card Star Ratings* is awarded points for its comparative pricing and for the array of positive features attached to the card. These features include international ATM access, airline lounge access, travel insurance, security and fees.

To arrive at the total score Canstar, applies a weight against a Price and Feature Score. This weight will reflect the relative importance of either costs or features in determining the best value card for the type of overseas traveller.

$$\text{Total Score} = \text{Price Score} + \text{Feature Score}$$



The weighted for each profile are listed in the table below:

Product Type	Profile Name	Price	Features
Credit Card	Occasional Overseas Traveller	80%	20%
	Regular Overseas Traveller	60%	40%
Debit Card	Overseas Travel	80%	20%

## Price Score

To find the overall cost of taking a card on an overseas trip, Canstar has designed a scenario that includes the cost of keeping the account open (account keeping fees or annual fees), fees for using the card overseas (currency conversion fees, ATM fees) as well as any reward points earned for spending on the card. Interest rates on credit cards are not considered in these ratings, as a credit card could become an extremely expensive way to pay for a holiday if it is not paid off within the interest free period. These ratings focus on the transaction costs and benefits of using a credit card overseas, rather than the cost of financing an overseas trip.

Fees for withdrawing cash from a credit card whilst overseas can be costly as users are likely to encounter cash advance interest charges as soon as the withdrawal is made. In addition to this, some credit card products do not allow cash advances at all. For these reasons, Canstar has only compared credit cards on the cost of making purchases overseas. There are also other differences in how Canstar has assessed each product type within each profile – these are included in the table below.

Product Type	Profile	Account active (months)	Amount spent overseas	Transactions	Total International Point of Sale Transactions	ATM Use Overseas			Rewards points considered
						Total	Network Use	Non-Network Use	
Credit Card	Occasional Traveller	12	\$5,000	20 (1 trip)	100%	-	-	-	✗
	Regular Traveller	12	\$10,000	40 (2 trips)	100%	-	-	-	✓
Debit Card	Overseas Travel	3	\$5,000	20 (1 trip)	100%	50%	40%	60%	✗

**Network ATMs:** Where an institution provides free or discounted access to some ATMs overseas, ATM use overseas is apportioned between the discounted Network ATMs and Non-Network ATMs. For an ATM network to be considered there must be a reasonable chance that a traveller will encounter a Network ATM in their travels.

**Rewards:** Using Canstar's sophisticated Credit Card Rewards methodology, the value of rewards points earned are subtracted from the overall cost of ownership. This recognises that some credit card products provide bonus points for purchases made overseas that can partially or fully offset currency conversion fees. For credit cards with multiple rewards programs, the rewards option that leads to the best outcome is chosen.

**Conditional transactional cost rebates:** Where an institution rebates the costs incurred when transacting overseas when certain conditions have been met. E.g. a monthly salary credit and a number of transactions on the account in the month prior to travel.

## Net Travel Cost

The Net Travel Cost of each card is calculated in consideration of how much will be available to the cardholder for spending on their trip, after fees for owning and using the card are subtracted:

Net Amount Available to spend for each product
<b>Total overseas spend amount of between \$5,000 and \$10,000</b>
Minus annual fees and/or account keeping fees (fee waivers are considered)
Minus cost of foreign ATM withdrawals (usually a fixed fee plus a percentage fee)
Minus cost of point-of-sale transactions (usually a percentage fee)
Plus the cash-equivalent value of any rewards points earned (in cashback, vouchers or flights)

## Feature Score

Each card feature is allocated points that are awarded for positive traits such as low fees or greater flexibility. The total features score for each category of information (e.g. Travel Insurance) is ranked and weighted with each category contributing to the overall Feature score.

The Price and Feature scores are weighted differently for each spending profile, and slightly different product features are considered for both debit cards and credit cards. This is done in recognition of the relative importance of the different product components to each profile.

Feature Category	Credit Cards		Debit Cards	Example of Data Captured
	Occasional Traveller	Regular Traveller	Overseas Travel	
<b>Travel Insurance*</b>	<b>50%</b>	<b>50%</b>	-	
Activation Policies	20%	20%	-	Activation policy, cert of insurance provided, etc.
Insurance Coverage	80%	80%	-	Item limits, exclusions, claims process, conditions.
<b>Security</b>	<b>10%</b>	<b>10%</b>	<b>15%</b>	Card security, change pin online, block purchases
<b>International ATM access**</b>	<b>10%</b>	<b>10%</b>	<b>45%</b>	International ATM network coverage, breadth of access to fee free ATMs
<b>Fees and Charges</b>	<b>10%</b>	<b>10%</b>	<b>20%</b>	International Card replacement fee, over limit fees
<b>Airline Lounge Access</b>	<b>5%</b>	<b>10%</b>	-	Availability and usability of lounge access.
<b>Card Terms and Account Facilities</b>	<b>15%</b>	<b>10%</b>	<b>20%</b>	Free days, interest rate, interest charging polices, account functionality, contactless payment availability

\*See next page for clarification on Travel Insurance feature score breakdown.

\*\*For debit cards, this is scored based on the number of ATMs included in the institutions global international ATM network against the approximate number of ATMs in the world, 3.5 million. Where an institution allows for the rebate of all third-party ATM fees, they will receive the maximum score for this category. For credit cards, this score is based on the availability and fees associated with accessing cash via an ATM while overseas i.e. a cash advance.

## Travel Insurance Coverage

All weights for the travel insurance coverage component of the rating are taken from Canstar's *Travel Insurance Star Ratings*, and based on cover for a single traveller.

Category	International	Definition
<b>Policy Conditions</b>	<b>35%</b>	
Definitions	45%	Definition on covers, e.g. definition of dependents, pre-existing medical condition, etc.
Claim processes	35%	Claim online, claim over the phone, 24hr helpline, helpline accept reverse charge calls
Policy Flexibility	20%	Nil excess, adjustable excess, extend travel period, extra cover for paying extra
<b>Policy Inclusions</b>	<b>5%</b>	
Events and Activities Cover	100%	Terrorism ,snow sport, water sport, rock climbing, motor cycle, non-professional sporting trip that insurers may/may not include
<b>Policy Benefits</b>	<b>60%</b>	
Overseas Medical and Dental	40%	Level of covers on medical and dental related issue
Cancellation Fees and Loss of Deposit	20%	Level of covers on administrative related fees
Luggage and Travel Documents	15%	Level of covers on personal belonging
Emergency Travel Arrangements	15%	Level of covers on unexpected changes during period of travel
Rental Vehicle Cover	5%	Level of covers on rental vehicle excess
Other Benefits	5%	Accidental Death, Disability and Loss of Income, Legal Liability, Domestic Services

### Does Canstar rate all products available in the market?

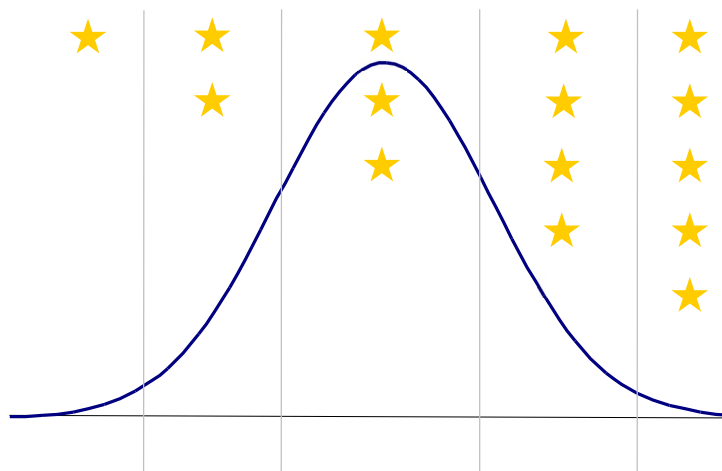
We endeavour to include the majority of product providers in the market and to compare the product features most relevant to consumers in our ratings. However, this is not always possible and it may be that not every product in the market is included in the rating nor every feature compared that is relevant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

### How often are products reviewed for awards or star ratings purposes?

All ratings are fully recalculated every 12 months based on the latest features offered by each provider. Canstar also monitors changes on an ongoing basis. The results are published in a variety of mediums (newspapers, magazines, television, websites, etc.)

## How are the stars awarded?

Products are ranked based on the total score received for each profile. Stars are then awarded based on the distribution of the scores with the objective to award the top 5-10% of products with the Canstar five-star rating.



## 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.com.au](http://www.canstar.com.au) if you would like to view the latest star ratings reports of interest.



- Account based pensions
- Business life insurance
- Deposit accounts
- Health insurance
- Landlord insurance
- Margin lending
- Package banking
- Reward programs
- Travel insurance
- Agribusiness
- Car insurance
- Direct life insurance
- Home & contents
- Life insurance
- Online banking
- Personal loans
- Superannuation
- Travel money cards
- Business banking
- Credit cards
- First home buyer
- Home loans
- Managed investments
- Online share trading
- Pet insurance
- Term deposits

### COMPLIANCE DISCLOSURE and LIABILITY DISCLAIMER

To the extent that the information in this report constitutes general advice, this advice has been prepared by Canstar Research Pty Ltd A.C.N. 114 422 909 Australian Financial Services Licence ("AFSL") and Australian Credit Licence number ("ACL") 437917 ("Canstar"). The information has been prepared without taking into account your individual investment objectives, financial circumstances or needs. Before you decide whether or not to acquire a particular financial product you should assess whether it is appropriate for you in the light of your own personal circumstances, having regard to your own objectives, financial situation and needs. You may wish to obtain financial advice from a suitably qualified adviser before making any decision to acquire a financial product. Canstar provides information about credit products. It is not a credit provider and in giving you information it is not making any suggestion or recommendation to you about a particular credit product. Please refer to Canstar's FSG for more information.

The information in this report must not be copied or otherwise reproduced, repackaged, further transmitted, transferred, disseminated, redistributed or resold, or stored for subsequent use for any purpose, in whole or in part, in any form or manner or by means whatsoever, by any person without Canstar's prior written consent. All information obtained by Canstar from external sources is believed to be accurate and reliable. Under no circumstances shall Canstar have any liability to any person or entity due to error (negligence or otherwise) or other circumstances or contingency within or outside the control of Canstar or any of its directors, officers, employees or agents in connection with the procurement, collection, compilation, analysis, interpretation, communication, publication, or delivery of any such information.

The ratings and awards results do not include all providers and may not compare all features relevant to you. The rating or award is only one factor to take into account when considering these products. Canstar acknowledges that past performance is not a reliable indicator of future performance.

The word "CANSTAR", the gold star in a circle logo (with or without surmounting stars), "Be Canstar Sure", the word "WEALTHBRICKS" and versions of the foregoing are trademarks or registered trademarks of Canstar Pty Ltd A.C.N. 053 646 165. Reference to third party products, services or other information by trade name, trademark or otherwise does not constitute or imply endorsement, sponsorship or recommendation of Canstar by the respective trademark owner.

Copyright 2019 Canstar Research Pty Ltd A.C.N. 114 422 909.