



# METHODOLOGY

## Everyday Banking Award

### September 2020

### What is the Canstar *Everyday Banking Award*?

Canstar's *Everyday Banking Award* uses a sophisticated rating methodology, unique to Canstar, which compares institutions' everyday banking products and accessibility throughout Australia.

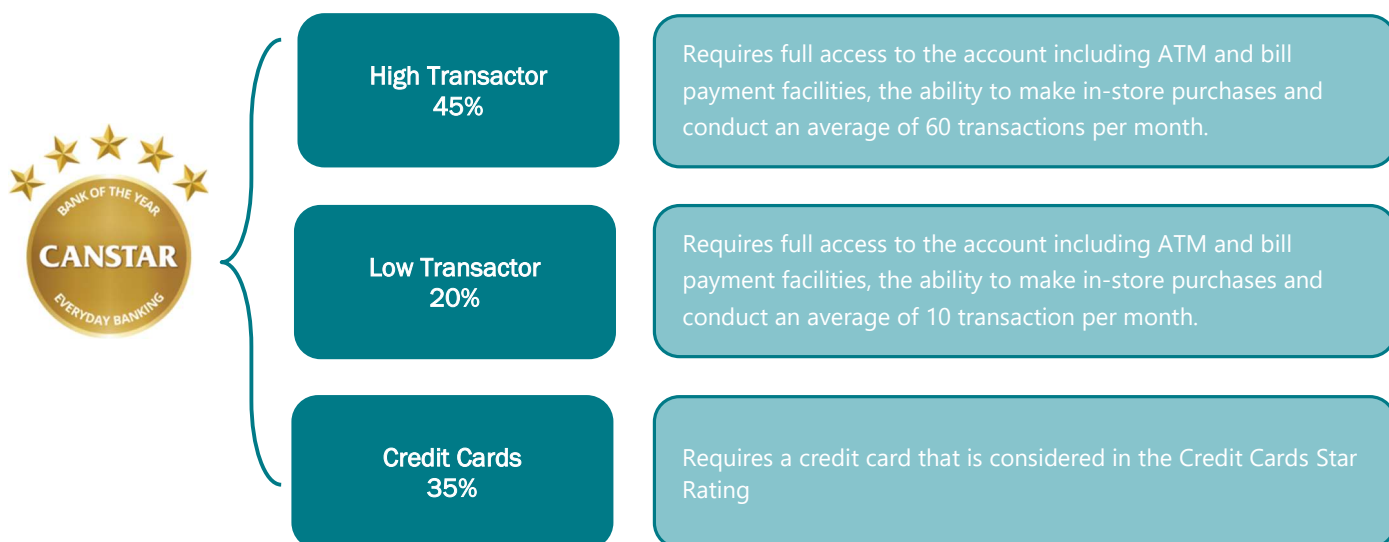
Canstar Bank of the Year – Everyday Banking is awarded to the institution that provides the strongest combination of products across the Transaction Account Star Ratings profiles, as well as excelling in products from the Credit Card Star Ratings.

### Eligibility Requirements

To be eligible for the Everyday Banking Award, institutions must:

- Offer a Deposit Account rated in the Savings and Transaction Account Star Ratings
- Offer a Credit Card rated in the Credit Cards Star Ratings

### Everyday Banking Award Methodology - Overall



### Everyday Banking Award Methodology

Canstar's *Everyday Banking Award* recognises institutions that offer competitive transaction accounts and credit cards for a variety of consumers with different spending levels and transaction behaviour. Each transaction account and credit card reviewed for Canstar's *Everyday Banking Award* is awarded points for its comparative pricing and for the array of features attached to the account.

The following components of this document are an overview of the elements considered within the Everyday Banking Award. Further details on how individual products are assessed can be found in the Savings and Transaction Account Star Ratings and the Credit Cards methodology documents.

## Savings and Transaction Accounts – High Transactor and Low Transactor

The Everyday Banking Award measures the Transaction Account products of providers by using Canstar's Savings and Transaction Accounts Star Ratings methodology which compares both the price and features of transaction accounts available within the Australian market.

### Eligibility Requirements – Savings and Transaction Accounts

To be eligible for consideration in the Everyday Banking Award, a provider must have a transaction account available in the market and information required to complete the review made available to Canstar. In addition, the account must have been available in the market for a minimum of six months.

### Price Score – Transaction Accounts

When assessing transaction accounts, the transaction and savings behaviours of 100 hypothetical consumers is used to determine the transaction fees, account keeping fees and interest earned on each account, with the average net cost or benefit obtained by the consumers across the scenarios used to calculate the Price Score.

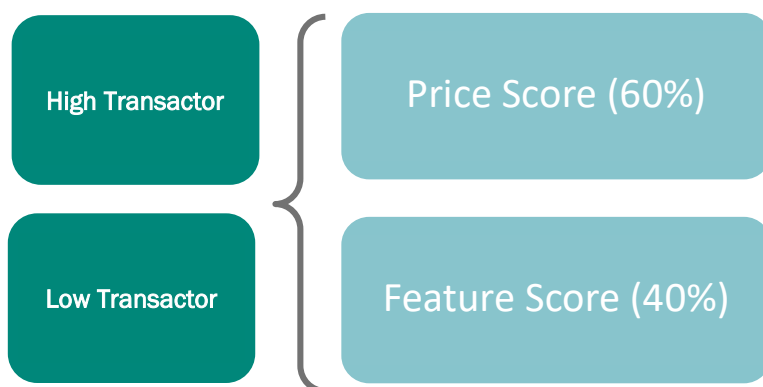
### Feature Score – Transaction Accounts

The Feature Score of each transaction account considers more than 200 product features which are scored, categorised and weighted according to a customer's journey with the product. This comprehensive feature assessment covers:

- Research – the support, information and tools provided to assist consumers opening an account
- Application – the channels which an account can be opened, onboarding process and conditions
- Account Operation – the availability and flexibility to transact using different methods, interest earning conditions and how consumers can manage and interact with their account
- Customer Service and Support – availability of different service channels when support
- Account Closure – process and access to information about your account following closure

### Consumer Profiles – Transaction Accounts

Performance in the following consumer profiles and applicable weight is applied to calculate a High Transactor Saver score and Low Transactor score for the Everyday Banking Award:



## Credit Cards

### Eligibility Requirements – Credit Cards

To be eligible for consideration in the Everyday Banking Award, a provider must have a credit card available in the market and information required to complete the review made available to Canstar. In addition, the account must have been available in the market for a minimum of six months.

### Price Score – Credit Cards

- Low Rate: the Price Score for the Low Rate credit card profile is based on the net cost of owning the credit card for 12 months, taking into account any annual fees and interest charged on accrued (revolving) balances as outlined in the Credit Card Star Ratings methodology.
- Low Fee: the Price Score for the Low Fee credit card profile is based on the net cost of owning the credit card for 12 months, taking into account any annual fees and interest charged on accrued (revolving) balances as outlined in the Credit Card Star Ratings methodology.
- Rewards: – The Price Score credit cards that earn rewards (including Frequent Flyer cards) are based on the Net Reward Return over 12 months. The card with the highest net reward return will receive the top price score. This is calculated by subtracting the net cost of owning the credit card for 12 months, taking into account any annual fees and interest charged on accrued (revolving) balances, and adding the dollar value of rewards earned as outlined Credit Card Star Ratings methodology.

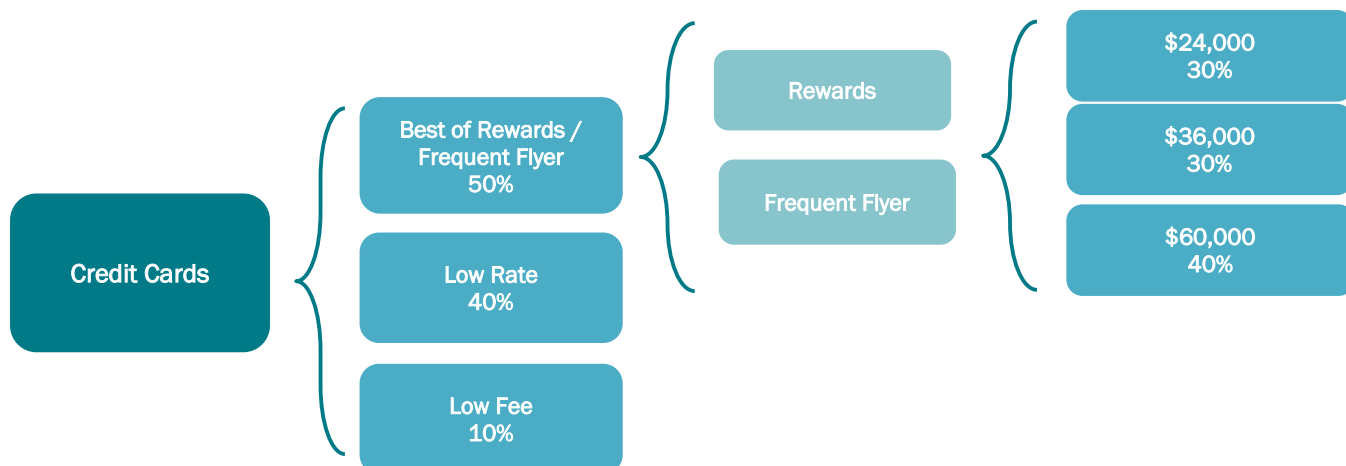
### Feature Score – Credit Cards

The Feature Score of each credit card considers more than 250 product features which are scored, categorised and weighted according to a customer's journey with the product. This comprehensive feature assessment covers:

- Research – the support, information and tools provided to assist consumers applying for a card
- Application and Onboarding – the application process requirements and card set up
- Account Operation – the availability and flexibility to transact using different methods, interest charging conditions, how consumers can manage and interact with their account, premium card facilities and rewards program flexibility
- Customer Service and Support – availability of different service channels when support with the account is required
- Account Closure - process and fee waivers applicable when closing the account

### Consumer Profiles – Credit Cards

Performance in the following consumer profiles and applicable weight is applied to calculate a Credit Card score for the Everyday Banking Award:



## 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.)

## 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.



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

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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.

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