



1 October 2008  
FOR IMMEDIATE RELEASE

## Is your rewards card leaving you in the red?

CANNEX releases *rewards star ratings* report today.

The appeal of holidays, shopping and cash-back as rewards for paying by credit may evaporate if consumers really look into what their rewards program delivers and, more importantly, what it costs them.

You're going backwards on 41 out of the 92 general rewards programs available if you spend only \$12,000 a year, or \$1,000 a month on your credit card, according to a new report released by financial products research and ratings firm CANNEX.

"If you don't use your rewards card regularly and for considerably large sums, the value of your rewards will, more often than not, be outweighed by the cost of having that rewards program in the first place," CANNEX financial analyst Frank Lopez said.

At the other end of the scale, those in a position to spend \$60,000 a year on their card will net an average return of over \$350, with almost all programs returning a profit.

"Chasing rewards is also futile if you don't pay your credit card off in full every month, as the higher interest rates charged punish this type of repayment behaviour," Mr Lopez said.

With 92 points-based rewards schemes fanned out across 153 credit cards in Australia, there is still plenty of choice for consumers. Reward redemption though, has been under the spotlight with changes already benefiting consumers and further enhancements in the wings.

"Air travel rewards have undergone big changes in answer to the criticism of very limited seating allocation to frequent flyers," Mr Lopez said.

"Qantas, Jetstar and Virgin now offer the flexibility of using frequent flyer points as cash to pay or part-pay for a seat on the flight of your choice or, if you're still addicted to the game of chance, you can stick with the original method of redeeming your points against an available frequent flyer seat."

Further changes to the Qantas Frequent Flyer program are expected by the end of the year in the wake of the airline's plan to partially sell off its rewards program.

"This will have ramifications for consumers in that frequent flyer points and the ability to swap general rewards points over to frequent flyer points is likely to be restricted to a handful of cards that are mostly co-branded with Qantas," Mr Lopez said.

Not to be outdone, shopping rewards appear to be going through a major customer-targeted transition linking credit card spend with retail shopping groups.

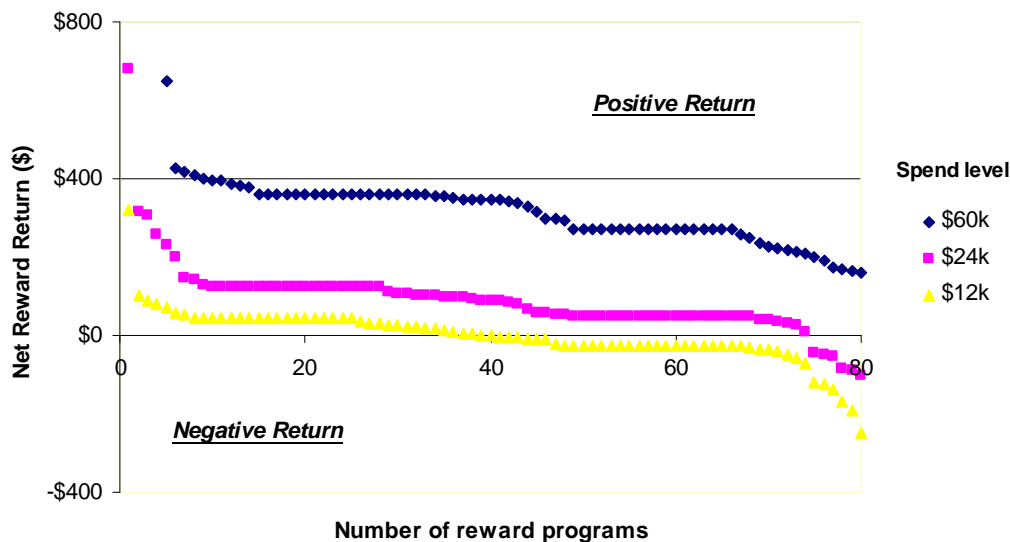
“We have already seen the Myer Visa card establish itself as a rewards program partnership combining a major retail group’s customer loyalty program with a credit card brand.

“Woolworths Everyday Money credit card continues this theme, just ahead of the recently launched David Jones Amex card. These cards offer strong rewards when you shop within the particular retail group but taper off to varying degrees when you shop elsewhere.”

With an increasing number of these programs available on the market, CANNEX notes a shift from overarching programs which offer you a bit of everything, to more focused programs offering greater reward returns restricted to use with specific retail groups.

“It’s more important than ever to realistically look at the dollar amount you spend every year and align it to the type of credit card rewards that appeal to you,” Mr Lopez said.

**Is your rewards program worth it?**



Source: CANNEX, Sept 2008

Consumers can download the free CANNEX rewards star ratings report at [www.cannex.com.au](http://www.cannex.com.au)

**★★★★★ CANNEX FIVE STAR REWARDS PROGRAMS**

**FREQUENT FLYER – \$24,000 annual spend**

- Earth
- Commonwealth Bank
- IMB Limited
- Nab

**NAME OF REWARDS PROGRAM**

- earth-Qantas Frequent Flyer-Amex
- Commonwealth Awards
- Card Services Rewards
- Velocity Rewards Program

**FREQUENT FLYER – \$60,000 annual spend**

American Express  
 American Express  
 American Express  
 Earth  
 Westpac

**NAME OF REWARDS PROGRAM**

Qantas Frequent Flyer Ultimate  
 Qantas Frequent Flyer Premium  
 Membership Rewards Ascent - Platinum  
 earth-Qantas Frequent Flyer-Amex  
 Membership Rewards Ascent - Platinum

**GENERAL REWARDS – \$12,000 annual spend**

Citibank  
 Westpac  
 Westpac  
 Westpac  
 Westpac

**NAME OF REWARDS PROGRAM**

Silver Rewards  
 Altitude Rewards - AMEX  
 Altitude Gold Rewards – AMEX  
 Altitude Platinum Rewards – AMEX  
 Altitude Rewards - Mastercard

**GENERAL REWARDS – \$24,000 annual spend**

American Express  
 American Express  
 Citibank  
 Myer VISA (GE Money)  
 Westpac

**NAME OF REWARDS PROGRAM**

Membership Rewards Ascent  
 Membership Rewards Choices  
 Silver Rewards  
 Myer One Inside Myer  
 Altitude Rewards-Mastercard

**GENERAL REWARDS – \$60,000 annual spend**

American Express  
 American Express  
 Citibank  
 Diners Club Int.  
 Myer VISA (GE Money)  
 Westpac  
 Westpac  
 Westpac  
 Westpac  
 Westpac

**NAME OF REWARDS PROGRAM**

Membership Rewards Ascent  
 Membership Rewards Ascent - Platinum  
 Silver Rewards  
 Diners Club Rewards  
 Myer One Inside Myer  
 Altitude Platinum Rewards-AMEX  
 Altitude Rewards-AMEX  
 Altitude Gold Rewards-AMEX  
 Altitude Rewards-Mastercard  
 Altitude Gold Rewards-Mastercard

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**About CANNEX:**

CANNEX provides Australia's only fully interactive online research service in retail and business finance.

Founded in 1992, CANNEX (Aust) Pty Limited is Australia's premier researcher of retail finance information for over 350 institutions such as Banks, Building Societies, Credit Unions, Finance Companies, Brokers, Mortgage Originators, Life Companies and finance related Internet Portals.

CANNEX customers use the extensive database for competitor analysis as well as a means of disseminating their product range. CANNEX also

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Mortgages  
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Reward programs



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