

- * Various Changes for Credit Cards and Charge Cards
- * Reward Points Compared

Compiled by the Office of Consumer Affairs of Industry Canada from information given by card issuers and accurate as of June 1, 1998.

Information : David Waite (613) 952-8019

To get copies of this bulletin in your region, contact:

Atlantic	Alison McDermott	(902) 426-9472
Quebec	Claude Valiquette	(514) 283-7621
Ontario	Mercedes Cohen	(416) 973-5040
Prairies	Lydia Shevchuk	(204) 983-2826
Pacific	Nicole LeMire	(604) 666-1404

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Consumer Advisory

Various changes for credit cards and charge cards

The Bank of Montreal low rate option MasterCard is now offering a split rate of 8.90% on cash advances/MasterCard cheques and 12.90% on retail purchases instead of the old 10.4% rate. It has also lowered its annual fee from \$25 to \$15 and it has extended the grace period from 19 to 23 days. These changes are effective June 1, 1998.

There have been two changes with respect to charge cards: Diners Club/enRoute has increased its grace period from 30-60 days to 52-60 days; and as of January 1998, Irving Oil has been assessing late penalty from the date of purchase instead of the date of statement.

Rewards Points - Update

Credit card costs last provided summary information on rewards points cards in June 1997. Rewards points cards are of most benefit to those who pay off their balance each month and who would in any event be purchasing the goods or services offered in conjunction with the card. For others, who carry a monthly balance, low rate cards with lower fees are a better option. No one who carries a monthly balance should be tempted to use their cards more in order to accumulate reward points. Reward cards should not encourage overspending!

General Credit Cards

- **American Express AIR MILES Credit Card**- (9.9% rate for 6 months, 18.25% thereafter; no annual fee) 1 AIR MILES travel mile for virtually every \$20 spent. Minimum number of AIR MILES travel miles needed for a flight is 500. Can also be used for car rentals (approx 2400 points for a week), for hotels (between 300- 1650 points per stay) and other merchandises/ services.
- **Bank of Montreal/AIR MILES MasterCard** - (Can be added to any gold, standard, basic or low rate Bank of Montreal MasterCard) To receive 1 AIR MILE for every \$20 spent, an additional \$35 annual fee is required. To receive 1 AIR MILE for every \$40 spent, no additional fee is required.
- **Bank of Montreal/First Home MasterCard** - (Can be added to any gold, standard, basic or low rate Bank of Montreal card; no fee) 5% of retail purchases (to max. of \$500/year) goes towards a Bank of Montreal mortgage. Up to 2.5% of the mortgage amount can be applied towards the down payment on a first home (to a maximum of \$2500).
- **Canadian Tire Options MasterCard** - (Rate 18.9%,no fee) 10 points earned per \$1 dollar spent at Canadian Tire, 2 points earned per \$1 dollar spent outside of Canadian Tire. Points can be redeemed instantly at the point of sale in Canadian Tire on all merchandise in the store. Redemption values vary between 3.3%-4.2% of Canadian Tire purchases.
- **CIBC Dividend Card** - (Introductory rate of 9.9% until December 31,1998, 18.5% thereafter ; no fee) - A dividend of up to 1% (\$0 - \$1,500 at 0.25%; \$1,500 - \$3,000 at 0.50%) of net purchases is credited to the cardholder's account each year on the December statement.
- **CIBC Club Z Visa Card** - (Rate 18.5%; no fee) - 15 club Z points earned per \$1 spent (cannot be used at Zellers). Value per point not available but the Club Z catalogue should be consulted.
- **CIBC Ford Classic** - was discontinued as of May 31, 1998. (Cardholders must use rewards points up until June 1, 2000)
- **CS CO-OP/AIR MILES MasterCard** - (Rate 18.4%; \$35 fee) 1 AIR MILE point earned for every \$20 spent. Minimum of 500 points needed for a flight. Can also be used for car rentals (approx. 2400 points for a week) and for hotels (300 to 1650 points per stay).

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- **National Bank / "Les Ailes" MasterCard** - (Rate 17.15%, \$20 fee) Each \$20 spent gives you 1 point with the retail chain "Les Ailes" (found in Quebec only). These points can be redeemed for gift certificates, gifts or travel packages.
- **Niagara Credit Union / "Choice Rewards" MasterCard** - (Can be added to any standard, low option or gold MasterCard; \$24 fee) 1 point earned per \$1 spent. Points can be redeemed for free gifts or travel.
- **Royal Bank Visa Classic II** (Rate 16.5%; \$15 fee waived till Aug. 1/98) - 1 point earned per \$1 spent. Minimum of 2500 points required to redeem Eaton's, RadioShack or Home Hardware gift certificates equal to 1% of total purchases (to max. of \$500/year). Special offers/ discounts of up to 25% at select retail stores nation wide.
- **Toronto Dominion/ GM Visa Card** (Rate 17.5%; no annual fee) -earn 5% of every purchase up to \$500 per cardholder year for a maximum of \$3,500 over seven years, to be applied to the total purchase price or lease down payment of any eligible new GM vehicle.
- **VanCity EnviroFund Visa** - (Rate 16.50%, no fee) 10% discount on select travel booked through VanCity Travel and paid in full with the VanCity EnviroFund Visa. Every time a cardholder uses a VanCity EnviroFund Visa, a contribution is made to EnviroFund to support positive and creative projects that address local environmental concerns.
- **VanCity Travel Visa** - (Rate 16.50%, \$39 fee) One Canada 3000 travel point for each \$2.00 spent. For Canada 3000 flights or selected travel packages booked through VanCity Travel and paid in full on the VanCity Travel Visa, cardholders can earn a bonus of eight times the travel points. Minimum return flights begin at 10,000 points.
- **Visa Boni Desjardins Classic** - (Rate 17.5%; \$20 fee) 1 "bonus dollar" earned per \$1 spent. "Bonus dollars" applicable against various Desjardins financial service fees.

Other Credit Cards

- **Hudson's Bay** - (Rate 28.8%, no fee) 1 Air mile earned for each \$10 spent. If the purchases are made by any other means other than with a Bay card you can earn 1 Air mile for every \$20 spent.
The Bay Card Dollar program (\$5 for every \$100 spent each month) was discontinued.
- **Zellers** - (Rate 28.8%, no fee) For every dollar spent before taxes you will receive 150 ClubZ points. If the purchases are made by any other means other than with a Zellers card you will receive 100 ClubZ points.
The Zellers More Dollars program has been discontinued.

Charge Cards

- **Diners Club/enRoute Aeroplan Miles** - (30% late penalty rate, \$65 fee) 1 Aeroplan mile earned for each dollar spent. Minimum of 15, 000 miles required for a free flight.

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General Credit Cards (as of June 1, 1998)

Card Issuer	Annual Fee	Interest Rate	Grace Period	Interest Calculated from Date of Purchase
MasterCard	\$	%	Days	
Bank of Montreal Standard	0	18.40	23	x
Basic	0	15.40	19	x
Low Rate Option- for retail purchases	15	12.90	23	x
-for cash advances/MasterCard cheques	15	8.90	23	x
Canada Trust	8 ²	17.90	21	x
Gold ¹	39	11.90	21	x
CS CO-OP	0	18.40	21	x
National Bank Standard	0	18.40 ³	21	x
Economic Option	12	14.00	21	x
Low Rate Option	30	9.25	21	x
Niagara Credit Union	0	17.50	21	x
Low Rate Option	25	9.25	21	x
Canadian Tire	0	18.90	21	x
VISA				
Scotiabank Standard	8	16.75	21	x
Value Visa	29	9.25	25	x
CIBC	0	16.50	21	x
Select Visa	29	9.9	17 ⁴	x
Desjardins Standard	0	17.50	21	x
Low Rate Option	25	9.50	21	x
Laurentian Bank	0	17.50	21	x
Reduced Rate Option	24	9.50	21	x
Royal Bank Standard	0	16.50	21	x
Low Rate Option	25	9.50	21	x
TD Bank Standard	0	17.50	21	x
Emerald Visa	12 ²	9.25	0	x
Vancouver City Savings	0	16.50	21	x
American Express				
Standard	0	9.9 (6 months) 14.95 (Preferred) 18.25 (Standard)	21	x
Optima	15	16.95	21	x

¹ Because this is a gold card, a minimum of \$40,000 per annum income is required to qualify.

² Under certain conditions, fee may be reduced or waived entirely.

³ According to the results of credit analysis, the rate may be different.

⁴ 21 days in B.C. and Quebec.

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Other Credit Cards

Card Issuer	Fees (\$ annual)	Interest Rates (% annual)	Grace Period (days)	Late Payment Fees	Interest Calculated from	
					Date of Purchase	Date of Statement
Canadian Tire	--	28.8	30			x
Eaton's	--	28.8	30			x
Home Card	--	28.8	30			x
Hudson's Bay	--	28.8	25-30			x
Imperial Oil (Esso)	--	24.0	30	x	x	
Petro-Canada	--	24.0	30	x	x	
Sears	--	28.8	25-30			x
Simpsons	--	28.8	25-30			x
Zellers	--	28.8	25-30			x

Charge Cards*

Card Issuer	Fee (\$ annual)	Late Penalty Rates/Delin- quency Rate (% annual)	Grace Period (days)	Late Penalty Calculated from	
				Date of Purchase	Date of Statement
American Express	55	30	30		x
Diners Club/enRoute	65	30	52-60		x
Irving Oil	--	24	25	x	

* As of June 1, 1998. Since credit card terms and conditions may change, you should contact card issuers directly for the latest information.

Definitions

Credit Cards: Cards that provide revolving credit. Minimum monthly payments are required.

Charge cards: Cards requiring payment in full each month.

Fees: Charges such as transaction fees, administration fees or annual fees.

Interest/Penalty Rate: The nominal annual rate at which interest or penalty payments are calculated.

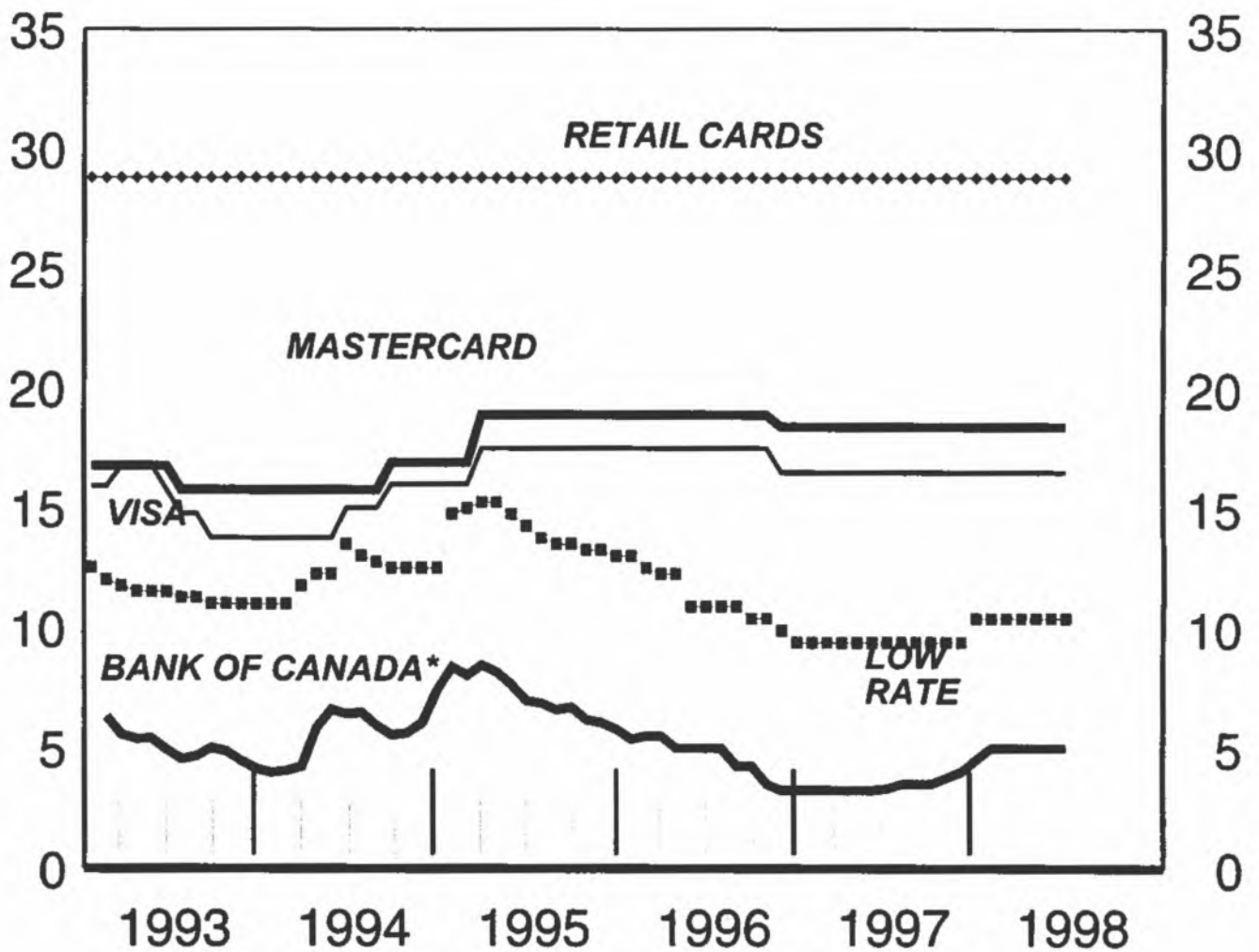
Grace Period: The number of days between the statement date and the payment due date.

Late payment fees: A late payment fee will be charged, if the minimum monthly payment is not made by the due date.

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Credit Card Rates and the Bank of Canada Rate

Rate (%)



• One Visa, one MasterCard, and one Low Rate Card issuer are used as examples. Rates of other cards vary.

* The Bank of Canada rate is the rate at which banks can borrow money from the Central Bank.

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Terms and Conditions

Remember these facts and save money:

Bank, Trust Company and Credit Union Cards

- Interest is charged daily. So, if you make payments between statements, you save money.
- Interest is charged on cash advances from the day you borrow until they are paid in full.
- Interest is not charged on purchases showing up on your statement for the first time if the entire statement balance is paid by the due date.

And don't forget:

- When the balance is not paid in full by the due date, interest is charged on the daily balance from the date purchases have been posted to the account until it is paid in full.

Other Credit Cards

- In most cases you pay less interest if you pay off at least half the balance each month. Retail stores (except in Quebec), subtract payments equal to 50% or more of the balance from the balance on the statement before charging interest. In Quebec, interest is calculated daily so in that province, you save money if you make payments between statements.
- Interest is compounded, so if you miss a payment, the next month you will pay interest on the balance plus interest. For example, at the current rate of 2.4% per month, one month's interest on \$100.00 is \$2.40. If no payment is made on this at all, the next month's interest will be charged on \$102.40 and will amount to \$2.47.

Charge Cards

- Irving Oil calculates penalties on the outstanding daily balance.
- The American Express and Diners Club/enRoute account balances are due on receipt of statement. A delinquency assessment equal to 30% per annum is charged on unpaid balances. Cards are cancelled if balances remain unpaid.

