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## Credit card market back open for business

The credit card market has seen a resurgence in recent months as card providers once again put the 'open for business' sign in the window.

In the last year the number of cards charging no interest on new purchases for at least 10 months has increased by 450%.

In the same period, the number of cards offering 0% on balance transfers for at least 10 months has increased by 20%.

### Number of cards offering 0% for 10 months or more:

Deal	1 year ago	Start of 2010	Today	Increase in last year
Introductory Purchases	2	3	11	450%
Balance Transfers	60	64	72	20%

**Source: Moneyfacts.co.uk 7.6.10**

Other providers have launched competitive reward schemes including American Express, Barclaycard, Egg, NatWest, Royal Bank of Scotland and Sainsbury's Finance.

However, interest rates charged on cards continue to increase, with the average credit card rate today standing at 18.7% APR. Since the start of the year the following providers have increased rates for new customers:

- Barclaycard – rates increased by up to 2.0%
- Capital One Bank – rate increased by 5.0%
- Egg – rate increased by 1.0%
- MBNA Europe Bank – rate increased by 1.0%
- Sygma Bank – rate increased by 2.0%

**Michelle Slade**, spokesperson for [Moneyfacts.co.uk](http://Moneyfacts.co.uk) commented:

“As the recession took hold credit card companies cut back on offering cards to new customers. While a few competitive deals were on offer, very few customers appeared to be able to successfully apply.

“Credit card companies have taken time to assess the market and now feel comfortable with doing business in the current economic environment.

“Competition has returned to the credit card market and card providers are actively trying to attract new business.

“Customers looking to make new purchases can find cards offering no interest for a year. Customers needing to repay existing debt can find deals charging no interest for 16 months.

“Most card providers currently make significant revenues from having a negative order of repayments, but following an OFT investigation card providers have until the end of the year to amend this.

“MBNA Europe Bank is the first provider to react to the announcement and joins just Nationwide BS, SAGA and The Co-operative Bank in offering a positive repayment order.

“Unfortunately for customers interest rates continue to rise and are only likely to increase further as providers are forced to lose revenue from moving to a positive repayment order.”



## Intro Purchase Best Buy

Provider	Card	Deal	APR
Sainsbury's Finance	MasterCard for Nectar Card Holder	0% for 12 months	15.9%
Barclaycard	Platinum with Purchase Visa	0% for 12 months	15.9%
Tesco Bank	ClubCard MasterCard	0% for 12 months	16.9%
Virgin Money	12/12 Credit Card MasterCard	0% for 12 months	18.9%
Halifax	All in One MasterCard	0% for 10 month	15.9%
Marks & Spencer Money	MasterCard	0% for 10 months	15.9%

**Source: Moneyfacts.co.uk 7.6.10**

## Balance Transfer Best Buy

Provider	Card	Deal	Fee	APR
Clydesdale/Yorkshire Bank	Gold MasterCard	0% for 16 months	3.00%, min £3	16.9%
Santander	Credit Card MasterCard/Visa	0% for 15 months	3.00%, min £5	15.9%
NatWest/RBS	Platinum Credit Card MasterCard	0% for 15 months	2.90%, min £5	16.9%
Barclaycard	Platinum with 15 month BT Visa	0% for 15 months	2.90%, min £6.25	16.9%
Virgin Money	MasterCard	0% for 14 months	2.98%, min £3	16.6%
Egg	Visa	0% until 1.8.2011	3.00%	17.9%

**Source: Moneyfacts.co.uk 7.6.10**

## About Moneyfacts.co.uk

Moneyfacts.co.uk is the UK's leading **independent** provider of personal finance information. For the last 21 years, Moneyfacts' information has been the key driver behind many personal finance decisions, from the Treasury and the Bank of England to the high street.

Our increasingly popular consumer website [www.moneyfacts.co.uk](http://www.moneyfacts.co.uk) **helps customers make better financial decisions** and gives them the ability to check the latest best buy products and to search the **whole market** for products that suit their individual circumstances.

Moneyfacts.co.uk also supplies best buy charts to many of the UK national and regional newspapers, with a total weekly readership in excess of 22,000,000. Moneyfacts.co.uk also provides the personal finance data that powers many UK online comparison websites.

Our dedicated research experts produce three monthly publications as well as providing real time news and data services to the majority of banks and building societies. Additional information can be found at [www.moneyfactsgroup.co.uk](http://www.moneyfactsgroup.co.uk).

## Contact us...

Looking for extra comment, a chart or more information, then please give us a call. We are always more than happy to help.

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