



FOR IMMEDIATE RELEASE

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### **Credit Card Re-Pricing Angers Consumers**

WESTBURY, N.Y. — A majority of U.S. consumers trust credit card companies less than they did a year ago and feel they have not been treated fairly by the credit card industry. About half of consumers claimed they were re-priced by their credit card company, while 20% reported a credit line decrease, according to Cardbeat<sup>®</sup>, a syndicated market research report published by Auriemma Consulting Group (ACG).

Although one-quarter of consumers admitted that the increased interest rate was a result of some action on their part (i.e., they were late or overlimit on their card), the remaining three-quarters said they had no idea why or felt they were not the cause of the change to their credit card account.

Nevertheless, consumers were highly dissatisfied. “Even consumers who weren’t entirely surprised to be re-priced expressed strong dissatisfaction with the reason given by their credit card issuer,” says Nancy Stahl, editor of Cardbeat<sup>®</sup>. 80% of these consumers reacted to the re-pricing by reducing their usage on the affected credit card, using some type of cash equivalent (debit card, cash, or check) as an alternative form of payment.

“While issuers may feel that their communications were adequate, consumers, to a large extent, don’t agree,” says Stahl. “At a time when credit cards are suffering from an unfavorable image, it’s important to make cardholders feel that they’ve been given a clear explanation, however unwelcome the news itself may be.”

The information in this release includes data from a survey of 503 credit card users in June 2009. The results from this survey were recently published in Cardbeat<sup>®</sup>, a syndicated market research study from ACG that provides insight into how consumer perceptions impact credit card acquisition and usage.

### **About Auriemma Consulting Group**

Since 1984, ACG has offered comprehensive management consulting, consumer research, industry roundtable and benchmarking services to the financial services industry. ACG clients include credit card issuers, commercial banks, auto and mortgage lenders, merchants, networks, and industry vendors. With offices in New York and London, ACG offers actionable solutions to help clients make important business decisions to maximize their efficiencies and revenues. For more information, contact Nancy Stahl at 516-333-4800 or [nancy.stahl@acg.net](mailto:nancy.stahl@acg.net).