

## Credit Cards - UK - August 2014

Report Price: £1750.00 | \$2834.04 | €2223.04

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“Reward schemes have the power to influence consumer behaviour and encourage more frequent credit card spending. However, providers need to ensure that not only are cardholders aware of the benefits, but that they are also kept interested and engaged so as to choose to adapt their spending in order to make use of the rewards offered.”  
– Chryso Kolakkides, Senior Financial Services Analyst

This report looks at the following areas:

- Reward schemes have the power to increase credit card spending
- A new approach is needed to reach today’s switched-on Millennials
- How can credit cards stand to compete with debit cards in the face of conflicting interests?
- London buses can help drive contactless card payments

Gross credit card lending increased by in 2013, while net credit card lending more than doubled. This highlights the change in consumers’ attitudes towards both spending and borrowing. After a long focus on paying off their credit card debts, the sizeable growth in 2013 shows that consumers are feeling more confident about taking on new debt again.

Although within the last decade the number of credit card transactions increased in 2013, they are still used much less frequently than debit cards. In order to bridge this gap, credit cards need to make more of their reward schemes. There is scope both to increase communication with their customer base and to encourage more frequent credit card use. Improved smartphone applications from providers can also help keep cardholders continually engaged with their credit card offerings.

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## Table of Contents

### Introduction

Report scope and product definitions

Abbreviations

### Executive Summary

The market

Gross credit card lending is expected to grow steadily over the next five years

Figure 1: Forecast of gross credit card lending (not seasonally adjusted), 2009-19

Credit card numbers lag behind debit cards

Figure 2: Number of cards in issue, by card type, 2003-13

Market factors

Net unsecured lending more than tripled in 2013

Consumers see an improvement in their financial situation

Figure 3: Trends in consumers' current financial situation compared to a year ago, December 2011-May 2014

Credit card debt write-offs are falling...

... but card fraud losses on an upward trend since 2011

Regulatory round-up

Companies, brands and innovation

Barclays and LBG dominant credit card providers at group level

Figure 4: Estimated group share of UK credit and charge card market (rebased to 100%), by share of customers, May 2014

Adspend on credit cards increases by 18% in 2013/14

Who's innovating?

The consumer

Credit card ownership

Figure 5: Payment card ownership by consumers who own one or more cards, May 2014

Consumer use of credit cards

Figure 6: Consumer use of credit cards, May 2014

Consumer use of reward schemes

Figure 7: Consumer use of reward schemes, May 2014

Attitudes towards reward schemes among users

Figure 8: Agreement with statements on credit card reward schemes, May 2014

Influential factors for credit card ownership

Figure 9: Influential factors for credit card ownership, May 2014

What we think

### Issues and Insights

Reward schemes have the power to increase credit card spending

The facts

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### The implications

A new approach is needed to reach today's switched-on Millennials

### The facts

### The implications

How can credit cards stand to compete with debit cards in the face of conflicting interests?

### The facts

### The implications

London buses can help drive contactless card payments

### The facts

### The implications

## Trend Application

Personalisation of credit card reward schemes

Preparation drives the younger credit cardholders

Mintel's futures: Access Anything, Anywhere

## Market Drivers

### Key points

Total net unsecured lending more than tripled in 2013

Figure 10: Net consumer lending (non-seasonally adjusted), 2008-13

Consumers see an improvement in their financial situation

Figure 11: Trends in consumers' current financial situation compared to a year ago, December 2011 – May 2014

Credit card debt write-offs reach a record low

Figure 12: Quarterly write-offs of lending to individuals (non-seasonally adjusted), by sector, March 2008-2014

Credit card interest rates continue to fall while base rate remains unchanged

Figure 13: Official bank base rate, three-month LIBOR, effective overdraft and credit card interest rates (monthly average), January 2007-June 2014

Card fraud losses have been growing since 2011

Figure 14: Annual plastic fraud losses on UK-issued cards, 2008-13

### Regulatory round-up

FCA to probe credit card market

European Parliament votes for EU cap on interchange fees

London buses go contactless from July 2014

London black cabs could be forced to take card payments within two years

## Competitor Products

### Key points

Credit card numbers lag behind debit cards

Figure 15: Number of cards in issue, by card type, 2003-13

Cash payments are declining while the use of debit cards is on the rise

Figure 16: Total volume of payments in the UK, by payment method, 2003, 2008 and 2013

Credit cards continue to account for the majority of gross unsecured credit lending

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Figure 17: Gross consumer credit lending, by type, 2008-13

## Who's Innovating?

### Key points

Barclaycard steps into mobile point of sale market with Barclaycard Anywhere

Barclaycard launches bPay contactless payment wristband

Credit card wars in balance transfer offers continue...

... while NatWest and RBS have stopped their introductory deals

Barclaycard scraps its five cashback cards making its credit card range simpler

Credit cards targeting the adverse credit market

## Market Size and Forecast

### Key points

Credit card transactions in the UK increased by 5% in 2013

Figure 18: Volume and value of transactions for UK purchases, by card type, 2009-13

Overseas credit card transactions increased by over 40% in 2013

Figure 19: Summary of credit and charge card transactions made outside the UK, 2013

Big growth in net credit card lending

Figure 20: Gross and net credit card lending to individuals (non-seasonally adjusted), 2008-13

Five-year forecast of gross credit card lending

Figure 21: Forecast of gross credit card lending (not seasonally adjusted), 2009-19

Figure 22: Forecast of gross credit card lending, 2009-19

Forecast methodology

Fan chart explanation

## Market Share

### Key points

Barclaycard maintains its leading position in the credit card market

Figure 23: Ranking of the largest credit and charge card providers in the UK, by share of customers, May 2014

Barclays and LBG dominant credit card providers at group level

Figure 24: Estimated group share of UK credit and charge card market (rebased to 100%), by share of customers, May 2014

MasterCard and Visa dominate the credit and charge card market

Figure 25: Credit and charge cards in issue, by card scheme, 2003-13

## Companies and Products

American Express

Company description

Product range

Figure 26: Summary of selected credit cards offered by American Express, UK, July 2014

Recent financial performance

Figure 27: Key annual financial data for American Express, 2012 and 2013

Recent activity

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Report Price: £1750.00 | \$2834.04 | €2223.04

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### Barclaycard

Company description

Product range

Figure 28: Summary of selected credit cards offered by Barclaycard, UK, July 2014

Recent financial performance

Figure 29: Key annual financial data for Barclaycard, 2012 and 2013

Recent activity

### HSBC Group

Company description

Product range

Figure 30: Summary of selected credit cards offered by HSBC, UK, July 2014

Figure 31: Summary of selected credit cards offered by First Direct and M&S, UK, July 2014

Recent financial performance

Figure 32: Key annual financial data for HSBC Bank Plc, Europe, 2012 and 2013

Recent activity

### Lloyds Banking Group (LBG)

Company description

Product range

Figure 33: Summary of selected credit cards offered by Lloyds Bank, UK, July 2014

Figure 34: Summary of selected credit cards offered by Halifax, UK, July 2014

Figure 35: Summary of selected credit cards offered by Bank of Scotland, UK, July 2014

Recent financial performance

Figure 36: Key annual financial data for Lloyds Banking Group, 2012 and 2013

Recent activity

### MBNA Europe

Company description

Product range

Figure 37: Summary of selected credit cards offered by MBNA, UK, July 2014

Figure 38: Credit card offered by Virgin Money (and issued by MBNA)

Recent activity

### RBS Group

Company description

Product range

Figure 39: Summary of credit cards offered by RBS and NatWest, July 2014

Recent financial performance

Figure 40: Key annual financial data for RBS Group, 2012-13

Recent activity

## Brand Research

Brand map

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Figure 41: Attitudes towards and usage of brands in the credit card sector, June 2014

### Correspondence analysis

#### Brand attitudes

Figure 42: Attitudes, by credit card brand, June 2014

#### Brand personality

Figure 43: Credit card brand personality – macro image, June 2014

Figure 44: Credit card brand personality – micro image, June 2014

#### Brand experience

Figure 45: Credit card brand usage, June 2014

Figure 46: Satisfaction with various credit card brands, June 2014

Figure 47: Consideration of credit card brands, June 2014

Figure 48: Consumer perceptions of current credit card brand performance, June 2014

#### Brand recommendation

Figure 49: Recommendation of selected credit card brands, June 2014

## Brand Communication and Promotion

### Key points

#### Adspend on credit cards increased by 18% in 2013/14

Figure 50: Advertising expenditure on payment cards, by card type, 2011/12-2013/14

#### Top 10 advertisers account for over 88% of adspend in the credit and charge card market

Figure 51: Top 10 advertisers of credit and charge cards, 2011/12-2013/14

#### Direct mail continues to dominate the credit and charge card market

Figure 52: Adspend on credit and charge cards, by media type, 2011/12 – 2013/14

#### A note on adspend

## Channels to Market

### Key points

#### 45% of credit card holders applied for their cards online

Figure 53: Channels used to apply for a credit card, May 2014

#### Applications in bank and building society branches still popular

#### More than three quarters of internet users manage their credit cards online

Figure 54: Agreement with the statement 'I tend to manage my credit card(s) online', by age, May 2014

## Credit Card Ownership

### Key points

#### Survey background

#### Nearly two thirds of adults have a credit card

Figure 55: Payment card ownership, May 2014

#### Credit card ownership increases with age

Figure 56: Credit card ownership, by age, May 2014

#### Credit cards most popular among the higher earners

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Figure 57: Card ownership, by gross personal income, May 2014

Figure 58: Card ownership, by current financial situation, May 2014

### Consumer Use of Credit Cards

#### Key points

Credit cards remain more popular for expensive items rather than everyday expenditure

Figure 59: Consumer use of credit cards, May 2014

Young people more mindful of their credit score...

Figure 60: Consumer use of credit cards, by age, May 2014

... but also checking their credit score before a credit card application

More than two thirds of adults pay off their credit card balance in full every month

Figure 61: Consumer use of credit cards, by gross personal income, May 2014

Figure 62: Agreement with the statement "I usually pay off my full credit card balance every month", by housing situation, May 2014

Balance transfers more appealing to those with three or more credit cards

Figure 63: Consumer use of credit cards, by number of credit cards owned

### Consumer Use of Reward Schemes

#### Key points

13% of adults are unsure if their credit card has a rewards scheme

Figure 64: Consumer use of reward schemes, May 2014

Reward schemes are clearly affecting spending behaviour...

Figure 65: General consumer use of credit cards, by consumer use of reward schemes, May 2014

... and appear to be an effective retention tool

Figure 66: Agreement with the statement "I have transferred my outstanding balance to a lower-rate credit card in the last year", by consumer use of reward schemes, May 2014

Older adults are more likely to take advantage of their credit card rewards schemes

Figure 67: Consumer use of reward schemes, by age, May 2014

Create greater personalisation and interaction to increase engagement

### Attitudes towards Reward Schemes among Users

#### Key points

Cashback preferred over reward schemes by 35% of scheme members

Figure 68: Agreement with statements on credit card reward schemes, May 2014

Figure 69: Agreement with the statement 'I would prefer to earn cashback on my credit card purchases instead of reward points', by current financial situation compared to a year ago, May 2014

One third of credit card holders do not think it is worth paying for reward schemes

Frequent credit card users are more engaged with their reward scheme

Figure 70: Consumer use of reward schemes, by agreement with the statement 'I use my credit card(s) for everyday expenditure', May 2014

Figure 71: Consumer use of reward schemes, by number of credit cards owned, May 2014

### Influential Factors for Credit Card Ownership

#### Key points

Over half of adults consider not having to pay a credit card fee as an important factor

Figure 72: Influential factors for credit card ownership, May 2014

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More affluent consumers consider travel benefits as important...

Figure 73: Influential factors for credit card ownership, by gross annual household income, May 2014

... while consumers with limited savings are more likely to look for a low interest rate

Figure 74: Influential factors for credit card ownership, by value of savings, May 2014

Figure 75: Influential factors for credit card ownership, by current financial situation, May 2014

'Soft searches' considered important by 23% of consumers either struggling or in trouble financially

Preference for cashback is stronger among the more engaged consumers

Figure 76: Influential factors for credit card ownership, by consumer use of reward schemes, May 2014

### Appendix – Market Size and Forecast

Figure 77: Volume and value of transactions for UK purchases, by card type, 2009-13

Figure 78: Volume and value of cash withdrawals, by card type, 2009-13

Figure 79: Forecast of gross credit card lending, 2009-19

Figure 80: Forecast of gross credit card lending, best and worst-case scenario, 2014-18

### Appendix – Market Share

Figure 81: Market share of credit and charge card providers, by demographics, May 2014

Figure 82: Market share of credit and charge card providers, by demographics, May 2014 (continued)

Figure 83: Market share of credit and charge card providers, by demographics, May 2014 (continued)

Figure 84: Market share of credit and charge card providers, by demographics, May 2014 (continued)

Figure 85: Market share of credit and charge card providers, by demographics, May 2014 (continued)

### Appendix – Brand Research

Figure 86: Brand usage, June 2014

Figure 87: Brand commitment, June 2014

Figure 88: Brand momentum, June 2014

Figure 89: Brand diversity, June 2014

Figure 90: Brand satisfaction, June 2014

Figure 91: Brand recommendation, June 2014

Figure 92: Brand attitude, June 2014

Figure 93: Brand image – macro image, June 2014

Figure 94: Brand image – micro image, June 2014

### Appendix – Channels to Market

Figure 95: Channels used to apply for a credit card, by demographics, May 2014

Figure 96: Channels used to apply for a credit card, by demographics, May 2014 (continued)

### Appendix – Credit Card Ownership

Figure 97: Credit card ownership – Debit card, by demographics, May 2014

Figure 98: Credit card ownership – Credit card, by demographics, May 2014

Figure 99: Credit card ownership – Store card, by demographics, May 2014

Figure 100: Credit card ownership – Prepaid card, by demographics, May 2014

Figure 101: Credit card ownership – Charge card, by demographics, May 2014

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### Appendix – Consumer Use of Credit Cards

- Figure 102: Response to the statement “I use my credit card(s) to pay for large/expensive items such as holiday bookings”, by demographics, May 2014  
 Figure 103: Response to statement “I use my credit card(s) for everyday expenditures, such as groceries”, by demographics, May 2014  
 Figure 104: Response to statement “I tend to manage my credit card(s) online”, by demographics, May 2014  
 Figure 105: Response to statement “I usually pay off my full credit card balance every month”, by demographics, May 2014  
 Figure 106: Response to statement “I checked my credit score before I applied for my most recent credit card”, by demographics, May 2014  
 Figure 107: Response to statement “I have an idea of what my credit score is”, by demographics, May 2014  
 Figure 108: Response to statement “I use my credit card(s) to improve my credit rating”, by demographics, May 2014  
 Figure 109: Response to statement “I have transferred my outstanding balance to a lower-rate credit card in the last year”, by demographics, May 2014  
 Figure 110: Response to statement “I use different credit cards for different purposes”^, by demographics, May 2014

### Appendix – Consumer Use of Reward Schemes

- Figure 111: Consumer use of credit card reward schemes, by demographics, May 2014

### Appendix – Attitudes towards Reward Schemes among Users

- Figure 112: Agreement with statements on attitudes toward reward schemes, by attitudes towards reward schemes, May 2014  
 Figure 113: Agreement with statements on credit card reward schemes, by demographics, May 2014  
 Figure 114: Agreement with statements on credit card reward schemes, by demographics, May 2014 (continued)

### Appendix – Influential Factors for Credit Card Ownership

- Figure 115: Influential factors for credit card ownership, by demographics, May 2014  
 Figure 116: Influential factors for credit card ownership, by demographics, May 2014 (continued)  
 Figure 117: Influential factors for credit card ownership, by demographics, May 2014 (continued)

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