



Borrowing Money

Plastic Fantastic

This activity requires you to compare credit card terms and conditions from two different banks. Further questions consider the way banks promote and advertise credit cards, and underline the importance of reading the fine print on credit card contracts.

1. Select two banks that operate in this country and provide a range of credit card products to their customers.
2. Select three of the credit cards offered by each bank. If possible, try to compare three similar types of products from each bank. List the following terms and conditions that apply for each of the banks' credit card products in the table below.

Financial Institution 1:			
Credit Card Type	Interest Rate	Interest-free period on repayments	Annual fee

Financial Institution 2:			
Credit Card Type	Interest Rate	Interest-free period on repayments	Annual fee

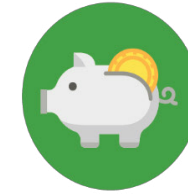




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3. From the information you have gathered, write a brief comparison between the banks and the credit cards they offer to customers. Does one stand out to you as being more appealing than the other? If so, why?
4. Why do you think banks offer a range of different credit card products to customers?
5. Using information from the banks' websites, or other online sources, find out what is meant by an interest-free period on money borrowed with a credit card. If a bank offers 'up to 55 days interest-free' what exactly does that mean?



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6. Describe any rewards programmes that operate with the credit cards you compared in question 1. For what reason do you think banks offer rewards programmes associated with their credit cards? Would they attract you if you were looking to take on a credit card? How much value do you think they really offer customers?
7. Credit cards are highly profitable for banks. Using your sources of information for question 1, and other promotional material issued by the two banks you selected – including media and online advertising, describe the different ways in which banks try to 'sell' their credit card products to customers. Do you think their advertising is effective? Why/why not?

