

For immediate release

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Aussies feel ‘cheated’ by high credit card rates that don’t follow the cash rate

- ➔ 79% of Aussies feel ‘cheated’ by credit card providers charging high interest rates
- ➔ More men (59%) think credit card rates should be lower compared to women (54%)
- ➔ Tips: How to source a low rate credit card

28 March, 2017, Sydney, Australia –The vast majority of Australians are fed up with soaring credit card interest rates that are significantly higher than the official cash rate, according to finder.com.au, Australia’s most visited comparison website¹.

New finder.com.au research reveals 79% of Australians – 14.3 million people – are dissatisfied with credit card interest rates, saying they feel ‘cheated’ that rates don’t move in line with the RBA cash rate.

While product rates for mortgages and savings accounts often follow cash rate movements, this does not hold true for credit cards.

Since October 2011, the cash rate has fallen from 4.75% to 1.5%, while credit card rates have moved up from 19.70% to 19.75% over the same period.

Nearly 700,000 credit card holders say they’re ready to ditch their plastic in response to high interest rates.

Bessie Hassan, Money Expert at finder.com.au says the average credit card interest rate is more than 10 times the official cash rate.

“Consumers tend to think the announcement of a rate cut means their personal finances will benefit, but if we look back over the past five years, this hasn’t translated into savings for credit card holders.

“It’s a shock to households to be forking out so much interest despite the cash rate taking a downward spiral,” she says.

¹ Experian Hitwise 2015

The research shows the high credit card rates were stopping 13% of Aussies from getting a credit card in the first place, with women (16%) being more deterred than men (11%).

Ms Hassan warns customers may consider alternative options if credit card rates continue to rise.

“Almost one in 10 credit card holders are considering getting rid of their credit card because of the stubbornly high interest rates,” she says.

Ms Hassan urges households to shop around for the best credit card deal, with the lowest rate credit card on finder.com.au currently at 11.49%.

“Carry out a [product comparison online](#) to see what low rate cards are on offer and remember to compare products side by side.

“There are many competitive offers on the market including cards with interest-free periods and cash-back offers, so don’t get stuck with a high rate card doing you damage.

“If you do sign up for a balance transfer card or one with a 0% promotional rate, just make sure you can afford your repayments once the revert rate kicks into gear,” she says.

Interestingly, one in five Australians (21%) don’t feel cheated by credit card providers charging interest rates far higher than the cash rate.

The research found those without an educational degree (59%) are more inclined to think credit card rates should be lower compared to those with a degree (52%).

State by state

- Queenslanders feel most cheated by credit card providers with 82% feeling cheated. They are followed by South Australians at 80%.
- 77% of those in New South Wales feel cheated by credit card providers charging high rates.
- Those in Victoria and Western Australia are most likely to ditch their credit card due to the high rates, with 11% of adults ready to give their cards the flick in both states.

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