



MEDIA RELEASE

VIRGIN MONEY CALLS FOR HONESTY IN CREDIT CARD MARKETING

Sydney, 7 November 2003 – Virgin Money is calling on the Federal Government to investigate misleading credit card advertising and adopt regulatory reform that will force card issuers to display key fees and charges upfront, rather than hiding them in the fine print.

Virgin Money managing director, Rohan Gamble, is in Canberra this week to urge Federal parliamentarians to follow the lead of the U.S. and the U.K in requiring card issuers to publish 'Honesty Boxes' in their marketing literature and monthly customer statements.

An Honesty Box brings together in a simple, uniform table all the important fees, interest rates and conditions relating to a credit card. This allows consumers to easily compare different cards, make informed decisions about which product is best for them and avoid nasty surprises in the form of unnecessary costs.

"As a newcomer to the Australian credit card industry, we are shocked at the lack of transparency in credit card marketing," Mr Gamble said. "Credit card fees have skyrocketed over the last two years, yet too often we find fees and high ongoing interest rates either hidden in the fine print or not mentioned at all."

"Consumers currently have little understanding of how card charges are calculated. It is difficult to compare products – and where charges are high – too easy for some cardholders to build up unaffordable debt."

In the U.S., Honesty Boxes are known as 'Schumer Boxes' after Democrat Senator Charles Schumer, who led the passage of the bill through U.S. Congress in 1988 as part of the Truth in Lending Act. Similar boxes are to be introduced in the U.K. by end March 2004, following strong parliamentary scrutiny of credit card marketing practices.

"Australia is currently lagging world best practice in credit card transparency," said Mr Gamble. "We believe a national approach is required to bring greater accountability to card issuers, and would welcome the opportunity to present our proposal at a formal parliamentary inquiry."

Virgin Money is committed to providing honest, upfront and straightforward information in all its marketing literature. The Virgin Credit Card, which slashes interest rates and does away with annual fees altogether, has attracted well over 300,000 applications in its first five months since launch.

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For further information or to arrange an interview with Rohan Gamble, please contact Kirsty Lamont, public relations manager, on 0400 411 148.

Key features of the Virgin Credit Card:

- **No annual fee...ever...guaranteed.**
- **Introductory interest rate of 4.9%** for six months from sign up - covering both balance transfers from other cards and new purchases.
- **Ongoing interest rate of 11.9%.**
- **Up to 55 days interest free.**
- **Mates Rates™ rewards.** A totally new kind of reward. Immediate discounts, and privileges from both Virgin and non-Virgin companies, just for using your Virgin Credit Card. This is not points based and there is no fee to enjoy Mates Rates rewards, which is available to all card-holders.
- **Personalised service – no need to speak to a machine.** Our call centre is staffed by real people, 24 hours a day. We don't have complex menu systems.
- **Choice of five colours: red, blue, black, pink and silver, all on a silk background.** Pick whichever one best suits your personality.
- **Radical new design.** We've rounded off one corner. The Virgin Credit Card looks different because it is different.

Apply online at www.virgincreditcard.com.au

There's no funny stuff, just money stuff. <http://virginmoney.com.au>