



ADVANCED **PAYMENT** SOLUTIONS

July 2009

CONSUMERS IMPROVE CREDIT SCORE BY UP TO 40% APS' CREDITBUILDER CELEBRATES FIRST ANNIVERSARY

Millions of Britons with limited access to everyday financial services received a boost today after some consumers used a unique creditbuilder loan to improve their personal credit ratings by up to 40% in just 12 months.

Launched in April 2008 by APS, a leading international prepaid card provider, and endorsed by the **Consumer Credit Association**, creditbuilder is a 12 month interest free loan added to the cashplus prepaid gold MasterCard® card.

To mark the first anniversary since launch, APS analysed creditbuilder's impact on personal credit ratings. New to credit customers improved their ratings by up to 40%, those with previously poor credit histories increased by up to 15%, and those with an already good credit history up to 13%.

Because there are no credit checks, prepaid cards enable people with no or poor credit histories to obtain a plastic card for the everyday purchases that many people take for granted. Creditbuilder takes cashplus cardholders a step further by helping them build or repair their credit scores and demonstrate financial responsibility if they meet the agreed repayment schedule.

Rich Wagner, Chief Executive Officer, APS, said: "We responded to demands for financial inclusion from consumers and advocacy groups by launching creditbuilder. One year on we can demonstrate it helped customers improve their credit scores even during the worst recession in living memory when credit is scarce or expensive."

He added: "Our business partners, including credit providers and debt management companies, have also gained by offering their customers a beneficial and exclusive service that has helped many people build or repair their credit ratings already."

Given the agreement is a fixed term loan, APS also reports missed payments. So cardholders who missed monthly repayments found their personal credit ratings fell; new to credit cardholder ratings declined by as much as 23% and previously poor credit ratings fell by up to a further 7%.

Still the only service of its kind from any prepaid issuer in Europe, creditbuilder advances the standard monthly cashplus card fee of £4.95 up-front as a 12 month loan of £59.40, which is repaid in 12 equal monthly instalments. The loan has no interest or administration charges applied and can be settled in full at any time. Creditbuilder has no prepayment penalties and the repayment history is reported to leading credit bureaux.

APS used the market-leading information reporting tool, Equifax Risk Navigator, to research 12 months of creditbuilder repayments and demonstrate its benefits to a customer's long-term access to credit. The tool provides access to Equifax's extensive database, which can be used to help predict how a consumer will manage credit commitments in the future.

Used like a regular CHIP and PIN debit or credit card to make high street purchases, shop and pay bills online and withdraw cash from cash machines, the cashplus MasterCard card is the first prepaid card to offer free purchase protection, a valuable benefit for all shoppers. As up to four additional cards can be obtained, it's also a cheap and easy alternative to money transfer for sharing money at home or abroad. MasterCard is accepted in 28.8 million places and at 1.5 million cash machines around the world.

Matt Lanford, Head of Prepaid Europe, MasterCard, said: "We congratulate APS on the first anniversary of creditbuilder. APS demonstrates how innovative prepaid products can help consumers without traditional banking relationships enjoy the benefits of a payment card, such as convenience, flexibility and budget management, while establishing a long-term relationship with the financial services industry."

Further information from: <http://www.mycreditbuilder.co.uk> or <http://www.apsgroup.com>.