

Financial Insecurity Begins to Affect Credit Card Customers in Canada, J.D. Power FindsOne-Third of Credit Card Customers Carry Revolving Debt

TORONTO: 14 Sept. 2023 — With Canada credit cardholders' average balance now totaling \$2,121¹ and a majority (52%) of them classified as financially unhealthy,² financial stress has become a critical component of the credit card customer experience. According to the J.D. Power 2023 Canada Credit Card Satisfaction Study,SM released today, slightly more than one-third (34%) of credit cardholders currently carry revolving debt and, as the overall financial health of cardholders deteriorates, customer satisfaction with rewards programs and other perks designed to build loyalty are suffering.

"While cardholders in Canada are not carrying as much revolving debt as their counterparts in the United States, they are in a similarly difficult situation when it comes to financial health, and that presents some big challenges and opportunities for card issuers," said **John Cabell, managing director of payments intelligence at J.D. Power**. "With the majority of cardholders in Canada struggling financially, it's become more important than ever for issuers to promote tools and resources to help customers manage their finances and get the most from their cards when it comes to rewards and benefits."

Following are some key findings of the 2023 study:

- **Revolving debt and cardholder financial health in the spotlight:** More than one-third (34%) of all cardholders are maintaining revolving debt on their credit cards, and more than half (52%) are classified as financially unhealthy. Among cardholders classified as financially unhealthy, the percentage of those maintaining revolving debt jumps to 52%. In comparison, 51% of U.S. credit card customers overall are carrying revolving debt, which increases to 69% among financially unhealthy U.S. cardholders.³
- **Card value suffering:** Driven in part by cardholder debt and financial uncertainty, the perception of card value—including satisfaction with benefits, rewards earning and terms—is the lowest ranked among all aspects of the credit card experience measured in the study. This finding highlights the product feature and communication challenges that issuers face to attract and retain cardholders.
- **Opportunity to help customers improve financial health:** Card features that help customers monitor their credit scores and manage payments and spending are the most-commonly used but are not the most frequently offered. Just 11% of cardholders agree that their card helps them control their spending.
- **Higher annual fees correlate with higher levels of customer satisfaction:** Cardholders who say their annual fee is \$100 or more have the highest levels of overall satisfaction and satisfaction with card value and ease of use—higher than among those who have cards with a lower annual fee or no

¹ Equifax, "Increased Cost of Living and Mounting Debt Cause Major Concerns for Canadians," November 1, 2022

<https://www.consumer.equifax.ca/about-equifax/press-releases/-/blogs/increased-cost-of-living-and-mounting-debt-cause-major-concerns-for-canadians/>

² J.D. Power measures the financial health of any consumer as a metric combining their spending/savings ratio, creditworthiness, and safety net items like insurance coverage. Consumers are placed on a continuum from healthy to vulnerable.

³ J.D. Power 2023 U.S. Credit Card Satisfaction StudySM

annual fee. However, cardholders who pay no annual fee have higher overall satisfaction with their card product than those who pay an annual fee less than \$100.

- **Widespread variation among airline miles cards:** Overall customer satisfaction is 566 (on a 1,000-point scale) for cards offering points and airline miles, which is slightly higher than for cards offering cashback rewards (563). Among the major Canada airline-related co-branded credit card products, WestJet cardholders have the highest overall satisfaction, especially in the areas of card benefits and rewards redemption. Air Canada cardholders have slightly lower overall satisfaction than WestJet cardholders, but higher satisfaction for earning rewards. By contrast, Air Miles cardholders have the lowest product feature satisfaction but the highest level of agreement that their credit card's air partner has a good reputation.

Study Rankings

American Express ranks highest in customer satisfaction among credit card issuers, with a score of 620. **Tangerine Bank** (610) ranks second and **PC Financial** (606) ranks third.

Desjardins Bonus Visa ranks highest in customer satisfaction among credit cards with no annual fee, with a score of 641. **Tangerine Money-Back Credit Card** (617) ranks second and **PC World Elite Mastercard** (612) ranks third.

Desjardins Cash Back World Elite Mastercard ranks highest in customer satisfaction among credit cards with an annual fee, with a score of 655. **Scotia Momentum Visa Infinite Card** (591) ranks second and **TD Cash Back Visa Infinite Card** (580) ranks third.

The Canada Credit Card Satisfaction Study was redesigned for 2023. It measures cardholder satisfaction with their primary credit card issuer and performance in seven factors critical to the customer experience (in alphabetical order): account management; benefits; customer service; new account; rewards earning; rewards redeeming; and terms. The study was fielded in June-July 2023 and includes responses from 10,466 cardholders who used a major credit card in the past three months.

For more information about the Canada Credit Card Satisfaction Study, visit <https://canada.jdpower.com/financial-services/canada-credit-card-satisfaction-study>.

See the online press release at <http://www.jdpower.com/pr-id/20230114>.

About J.D. Power

J.D. Power is a global leader in consumer insights, advisory services and data and analytics. A pioneer in the use of big data, artificial intelligence (AI) and algorithmic modeling capabilities to understand consumer behavior, J.D. Power has been delivering incisive industry intelligence on customer interactions with brands and products for more than 50 years. The world's leading businesses across major industries rely on J.D. Power to guide their customer-facing strategies.

J.D. Power has offices in North America, Europe and Asia Pacific. To learn more about the company's business offerings, visit [JDPower.com/business](https://www.jdpower.com/business).

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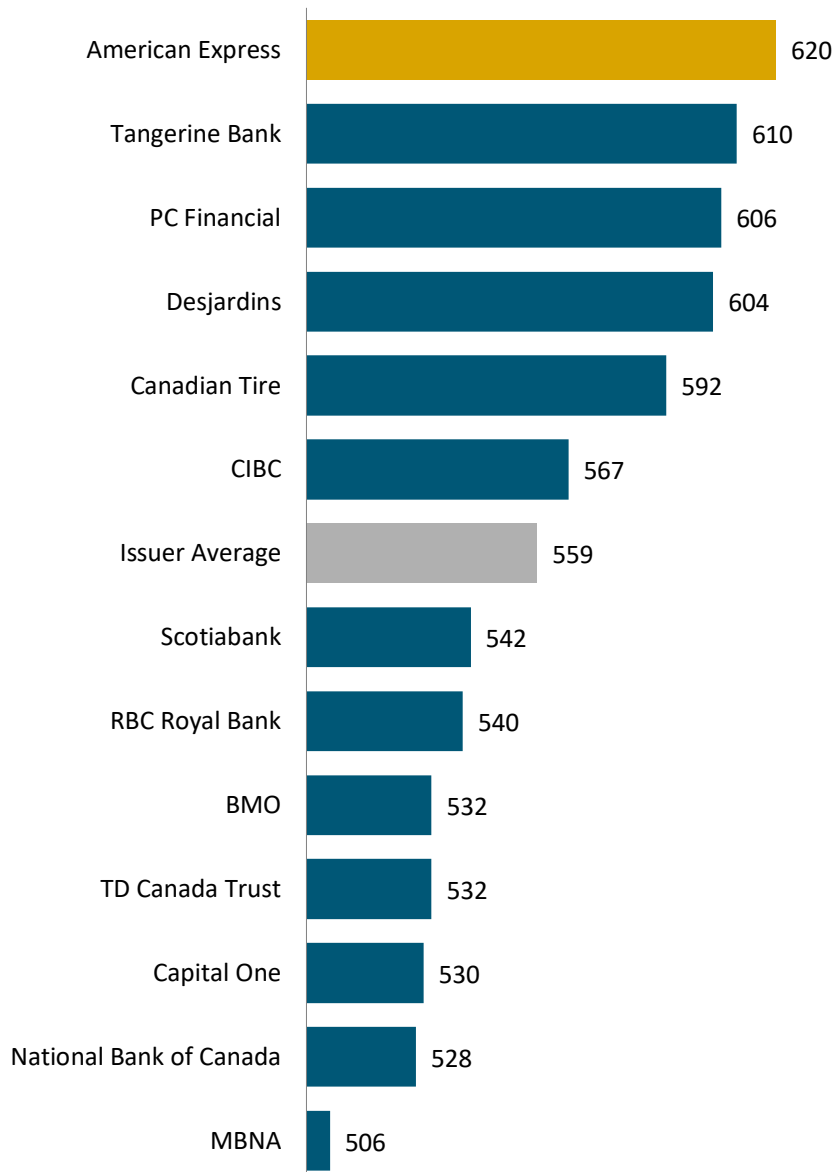
NOTE: Three charts follow.

J.D. Power 2023 Canada Credit Card Satisfaction StudySM

Overall Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)

Credit Card Issuers



Source: J.D. Power 2023 Canada Credit Card Satisfaction StudySM

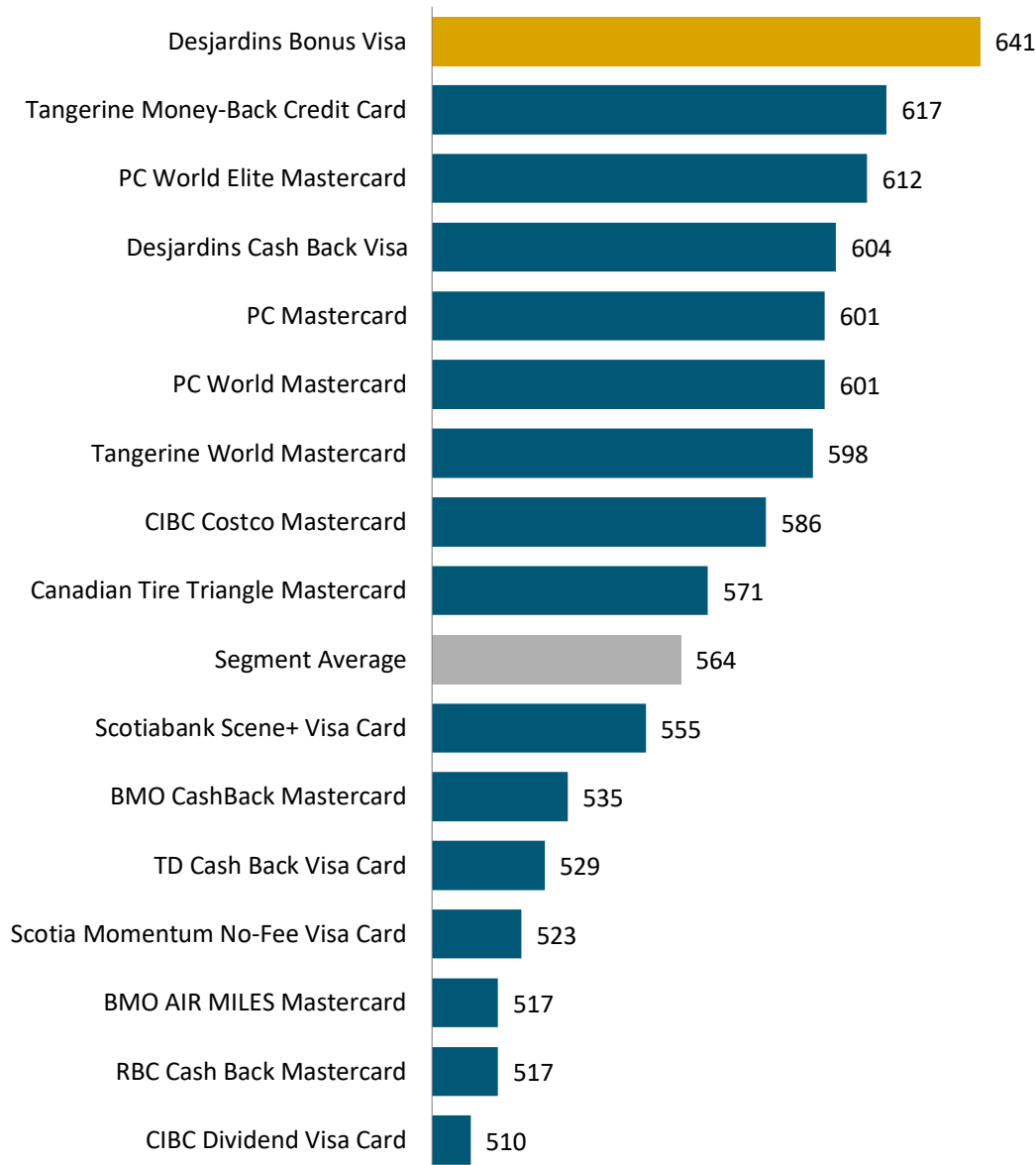
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J.D. Power 2023 Canada Credit Card Satisfaction StudySM

Overall Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)

Credit Cards – No Annual Fee



Source: J.D. Power 2023 Canada Credit Card Satisfaction StudySM

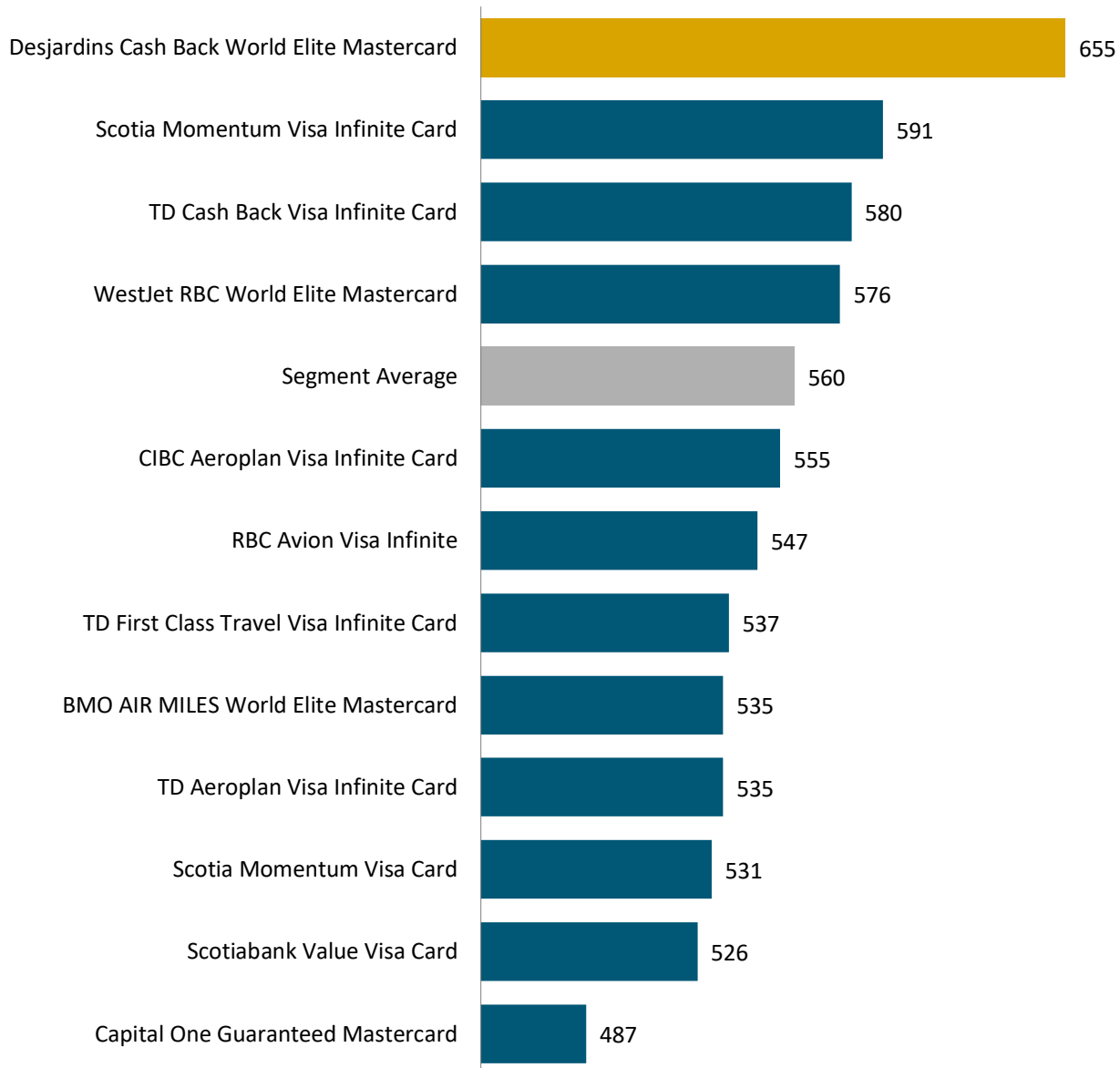
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J.D. Power 2023 Canada Credit Card Satisfaction StudySM

Overall Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)

Credit Cards – Annual Fee



Source: J.D. Power 2023 Canada Credit Card Satisfaction StudySM

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