

## MEDIA ALERT

### Credit card minimum repayments obsolete: Mozo

- 49% of credit cards will never be paid off

**Thursday, 3 September 2015:** Almost half of all credit cards will take more than 100 years to pay off based on minimum repayments annual fees, according to financial comparison site, [Mozo.com.au](http://Mozo.com.au).

Mozo looked at 200 credit cards in its database to find paying the average minimum of 2.32% on a \$4,502 debt means a credit card holder would stay in debt for 20 years and 11 months.

That same cardholder will cough up a hefty \$9,096 in interest and fees along the way, based on the average annual fee and interest rate.

“Until the minimum repayment amount on credit cards is increased we’ll continue to see Australians in a constant whirlpool of debt,” said Mozo Director, Kirsty Lamont.

Increasing the minimum repayment to 5% or \$50 would cut this time down to just five and a half years and save the cardholder \$6,760 in interest and fees, instead, paying a more reasonable \$2,337.

“These figures highlight just how impactful a 5% minimum repayment could be for cardholders or those thinking about taking out a new credit card,” said Lamont.

The lowest minimum repayment in Mozo’s database is 2% or \$5, the highest is 5% or \$50, depending on which amount is higher.

#### Snapshot of Credit Card market:

Average minimum repayment	2.32%
Average minimum repayment in dollars	\$22
Average credit card purchase rate	17.61%
Average annual fee	\$115
Average outstanding credit card balance	\$4,502
<i>Average credit card balance is based on RBA and Roy Morgan data (7.36 million credit cardholders as at June 2015)</i>	

***Mozo spokesperson, Kirsty Lamont, is available today for comment on the Australian credit card market.***

**-ENDS-**

#### To arrange an interview, contact:

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