

APPENDIX 3.3
(referred to in paragraphs 3.51 and 3.56)

The charging of interest to cardholders

1. The main principles applied by Access card issuers in calculating interest are as follows:

- (a) No interest is charged on purchases between the date of transaction and the date of the statement on which they appear.
- (b) Interest is charged on purchases beyond the statement date to the extent that the total balance shown on the statement is not paid in full within 25 days.
- (c) Interest is charged on a daily basis on the unpaid element of the statement until the next statement date.
- (d) If, having taken extended credit, the account is cleared in full, interest is still charged from the relevant statement date until full repayment is received.
- (e) Cash advances are charged interest on a daily basis from the day the advance is made. No handling charges are levied on cash advances.

2. The principles applied by most Visa card issuers are as follows. These are identical to the principles applied by Access in respect of the interest-free period on purchases prior to the statement date, but differ in the treatment of cash advances and in the methods used to calculate interest charges (ie items (b), (c) and (d) below):

- (a) No interest is charged on purchases or cash advances between the date of the transaction and the date of the subsequent statement.
- (b) Interest is calculated on a daily basis from the statement date on the balance shown on the statement until a payment is received from the cardholder and then on the reduced balance until the following statement date when interest accrued is charged to the account.
- (c) However, whether or not extended credit has been taken previously, if the account is cleared in full within 25 days of a statement date interest which has accrued since the statement date is not charged to the account.
- (d) Cash advances attract a handling charge of 1.5 per cent. For purposes of calculating interest cash advances are treated in the same fashion as purchases.