

**Credit Card Issuers Must Confront Consumers' Mounting Debt, J.D. Power Finds**Majority of U.S. Credit Card Customers Carry Revolving Debt

**TROY, Mich.: 17 Aug. 2023** — Total U.S. credit card debt increased \$45 billion between April and June of this year and has now topped the \$1 trillion mark, according to the New York Federal Reserve. For the nation's credit card issuers that inauspicious milestone, combined with several other consumer behavioral trends, should be cause for concern. According to the J.D. Power 2023 U.S. Credit Card Satisfaction Study,<sup>SM</sup> released today, 51% of U.S. credit cardholders now carry revolving debt at an average overall self-reported interest rate of 14.8%. As the overall financial health of cardholders deteriorates, customer satisfaction with rewards programs and other perks designed to build loyalty is suffering.

"The pandemic-era savings cushions are gone, the economy is shaky and consumers are leaning more heavily than ever on their credit cards to cover day-to-day expenses," said **John Cabell, managing director of payments intelligence at J.D. Power**. "This is a make-or-break moment for card issuers. While high levels of revolving debt and declining financial health typically have a negative effect on cardholder satisfaction and loyalty, issuers do have an opportunity to help customers by encouraging the use of payment plans and taking other steps to build goodwill and trust."

Following are some key findings of the 2023 study:

- **Revolving debt and cardholder financial health in the spotlight:** More than half (51%) of U.S. credit card customers are maintaining revolving debt on their credit cards. Among those cardholders classified as financially unhealthy,<sup>1</sup> the percentage jumps to 69%. Among those with card debt in the financially unhealthy category, the self-reported interest rate climbs to 16.5%, still lower than many publicly reported averages might suggest. Further, only 11% of financially unhealthy cardholders strongly agree their card helps them control their spending.
- **Reward satisfaction suffers:** Despite continual efforts by card issuers to build ever more competitive rewards programs, rewards earning has the lowest level of overall satisfaction of the seven factors evaluated in the study. This is driven by less favorable ratings on the amount of rewards earned per dollar spent, especially among cashback cardholders. In fact, the top reason given for switching card providers is seeking a better rewards program.
- **Annual fee cards most beloved:** Cardholders who say their annual fees average \$100 or more have the highest satisfaction with benefits and rewards earning, even more so than those who have cards with lesser or no annual fees. However, cardholders paying a hefty \$500 or more in annual fees have more reservations, showing lower satisfaction with the attribute of reasonableness of annual fee, considering the rewards/benefits offered. Airline cardholders also have high rewards and benefits satisfaction, but it is offset by lower satisfaction with terms (e.g., interest rates, credit limits, fees).
- **Payment plans can be effective, but usage erratic:** Cardholder participation in credit card payment plans is associated with a 102-point increase in customer satisfaction (on a 1,000-point scale).

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<sup>1</sup> 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.

Despite these positive effects, few customers use these issuer-sponsored payment plans, with usage varying widely from a low of 9% to a high of 23%. Payment plans are used most often by cardholders who are financially healthy or overextended. Nearly half (41%) of the most vulnerable cardholders say they would be willing to consider a Buy Now Pay Later plan from a different lender.

- **FinTech issuers resonating with consumers:** Newer and enticing credit card offerings from FinTech providers such as Chime, Self, Ollo and others are driving consistently higher levels of overall satisfaction and stronger levels of brand trust than are traditional, bank-branded cards. FinTech issuers cater especially well to cardholders who are younger, have credit card debt and are more focused on building credit than on earning rewards.

## Study Rankings

**American Express** ranks highest in customer satisfaction among credit card issuers, with a score of 657. This is the fourth consecutive year in which American Express has won a segment award.<sup>2</sup> **Bank of America** (629) and **Discover** (629) each rank second in a tie.

**Capital One SavorOne Rewards Card** ranks highest in customer satisfaction among bank rewards credit cards with no annual fee, with a score of 666. **Discover it Student Cash Back** (658) ranks second and **Blue Cash Everyday Card (American Express)** (655) ranks third.

**Bank of America Premium Rewards Elite** ranks highest in customer satisfaction among bank rewards credit cards with an annual fee, with a score of 712. **American Express Gold Card** (693) ranks second and **The Platinum Card from American Express** (687) ranks third.

**Platinum Secured (Capital One)** ranks highest in customer satisfaction among bank credit cards with no rewards or annual fee, with a score of 620.

**JetBlue Plus Card (Barclays)** ranks highest in customer satisfaction among airline co-branded credit cards, with a score of 643. **Southwest Rapid Rewards Plus Card (Chase)** (628) ranks second and **Citi American Airlines AAdvantage MileUp Mastercard Card** (614) ranks third.

**Apple Card (Goldman Sachs)** ranks highest in customer satisfaction among co-brand credit cards with no annual fee, with a score of 655. This is the third consecutive year in which Apple Card and issuer Goldman Sachs have collectively won a segment award.<sup>3</sup> **Hilton Honors American Express Card** (638) ranks second, while **Amazon Prime Rewards Visa Signature Card (Chase)** (636) and **PayPal Cashback Mastercard (Synchrony Bank)** (636) each rank third in a tie.

The U.S. Credit Card Satisfaction Study, now in its 17th year, was redesigned for 2023. It measures customer satisfaction with credit card issuers by examining seven factors (in alphabetical order): account management; benefits; customer service; new account; rewards earning; rewards redeeming; and terms. The study includes responses from 31,418 credit card customers and was fielded from August 2022 through June 2023.

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<sup>2</sup> J.D. Power 2023 U.S. Credit Card Satisfaction Study: Credit Card Issuers segment, which includes issuers with more than 1,000,000 active accounts, excluding co-branded cards. J.D. Power 2020-2022 U.S. Credit Card Satisfaction Studies: National Issuers segment, which included issuers with more than 4,000,000 active accounts. Visit [jdpower.com/awards](https://www.jdpower.com/awards) for more details.

<sup>3</sup> J.D. Power 2023 U.S. Credit Card Satisfaction Study: Co-Branded Credit Cards segment, excludes airline cards. J.D. Power 2020-2022 U.S. Credit Card Satisfaction Studies: Midsize Issuers segment, which included issuers with 275,000-4,000,000 active accounts. Visit [jdpower.com/awards](https://www.jdpower.com/awards) for more details.

For more information about the U.S. Credit Card Satisfaction Study, visit <https://www.jdpower.com/business/resource/us-credit-card-satisfaction-study>.

See the online press release at <http://www.jdpower.com/pr-id/2023096>.

#### **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). The J.D. Power auto shopping tool can be found at [JDPower.com](https://www.jdpower.com).

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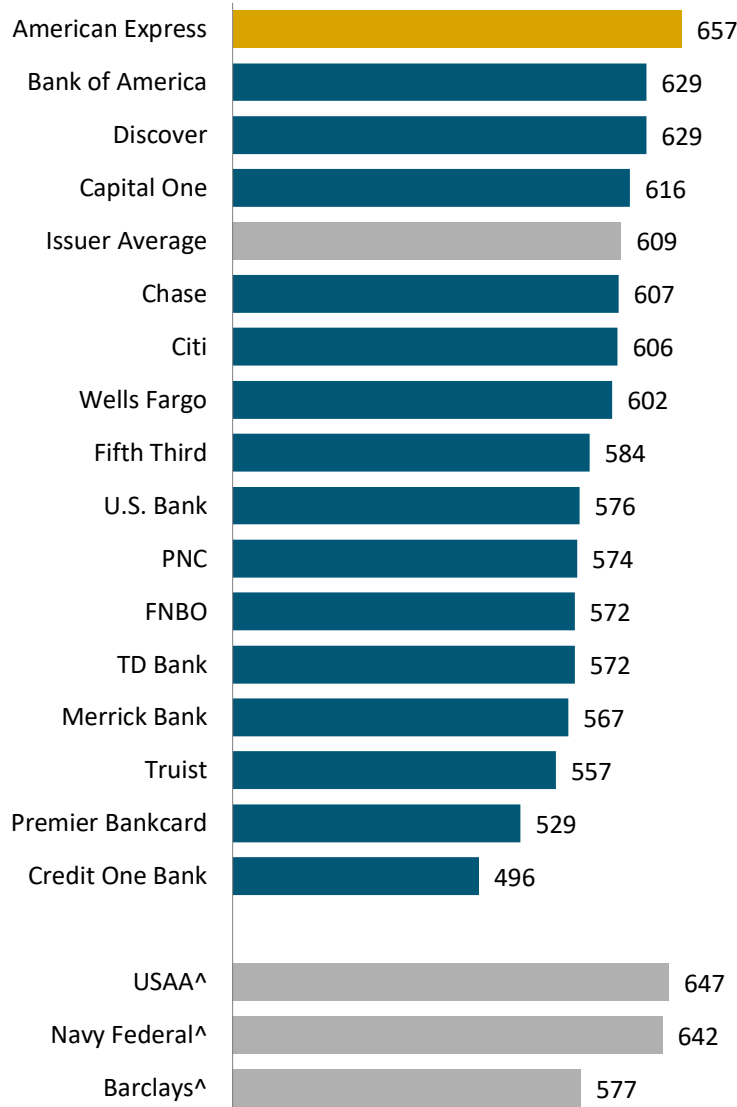
NOTE: Six charts follow.

# J.D. Power 2023 U.S. Credit Card Satisfaction Study<sup>SM</sup>

## Overall Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)

### Credit Card Issuers



Note: Co-brand cards are excluded from the above rankings.

<sup>^</sup>Brand is not rank eligible because it does not meet study award criteria.

Source: J.D. Power 2023 U.S. Credit Card Satisfaction Study<sup>SM</sup>

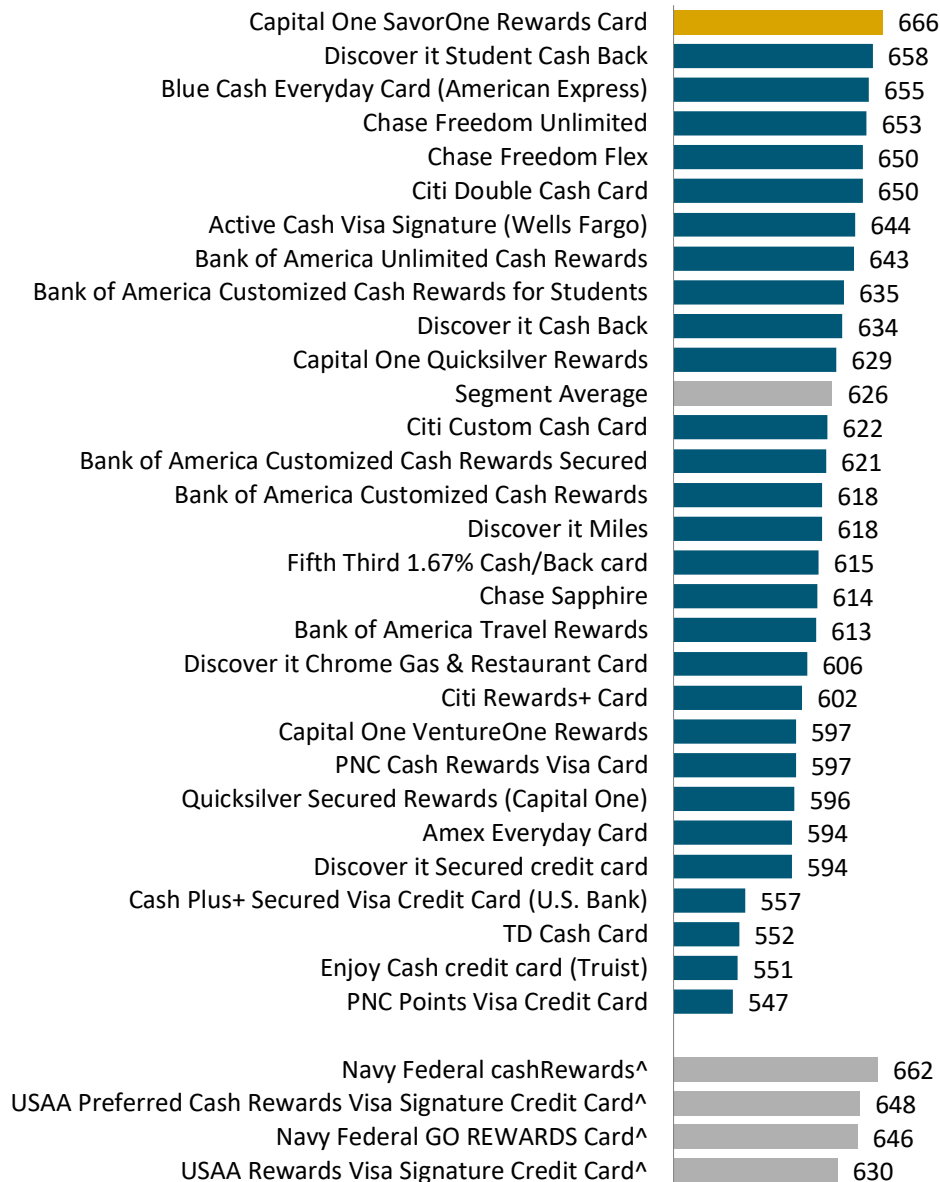
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# J.D. Power 2023 U.S. Credit Card Satisfaction Study<sup>SM</sup>

## Overall Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)

### Bank Rewards Credit Cards – No Annual Fee



<sup>^</sup>Brand is not rank eligible because it does not meet study award criteria.

Source: J.D. Power 2023 U.S. Credit Card Satisfaction Study<sup>SM</sup>

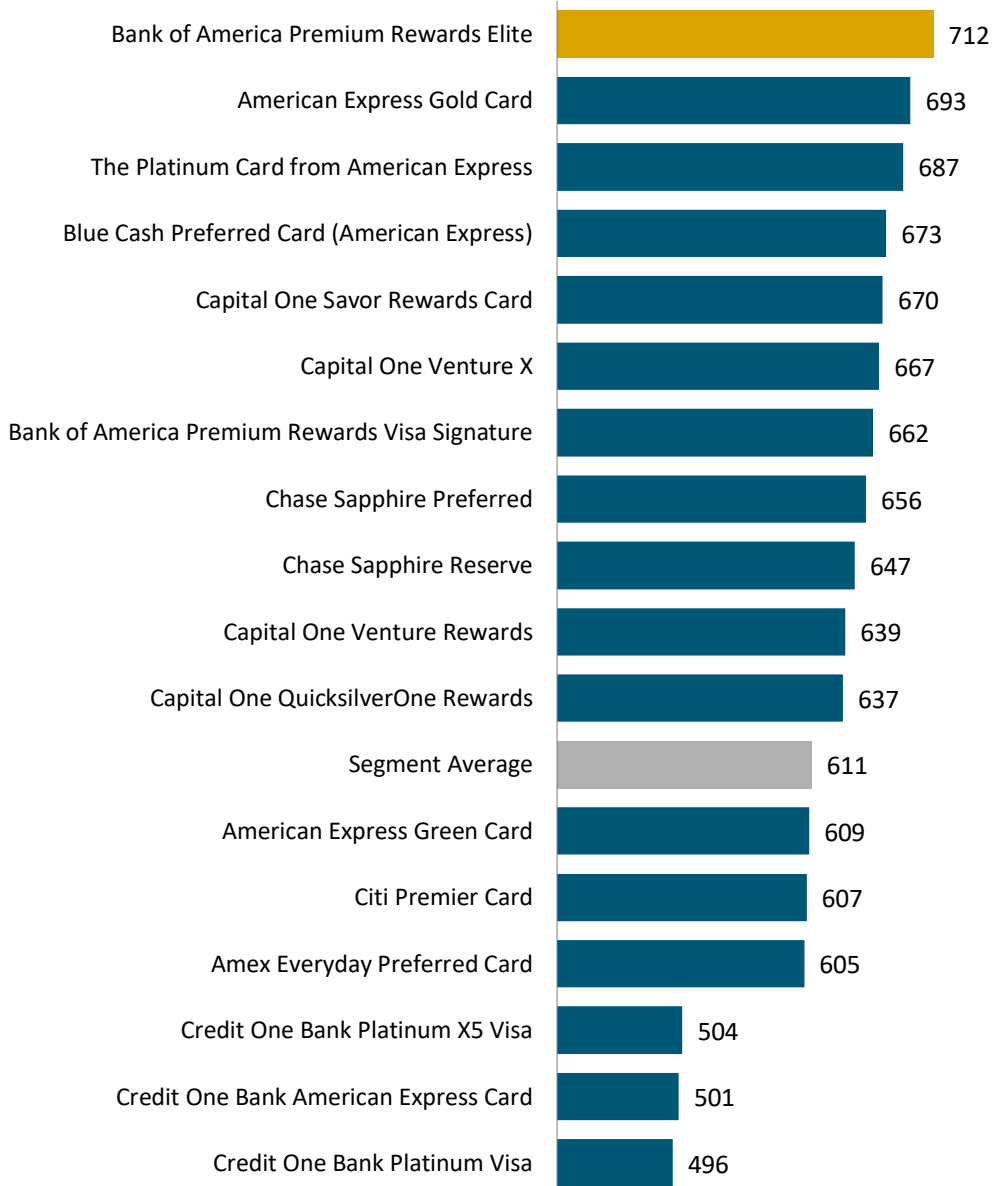
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# J.D. Power 2023 U.S. Credit Card Satisfaction Study<sup>SM</sup>

## Overall Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)

### Bank Rewards Credit Cards – Annual Fee



Source: J.D. Power 2023 U.S. Credit Card Satisfaction Study<sup>SM</sup>

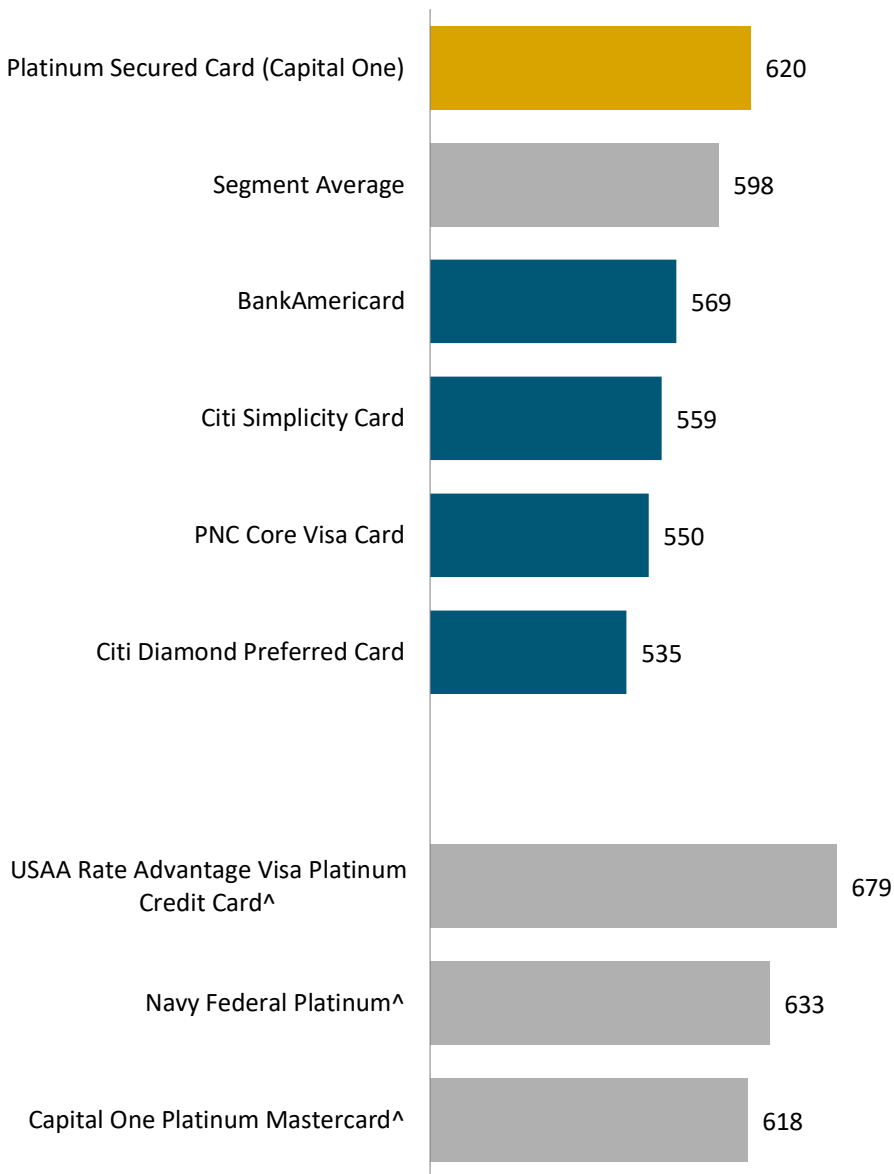
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# J.D. Power 2023 U.S. Credit Card Satisfaction Study<sup>SM</sup>

## Overall Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)

### Bank Credit Cards – No Rewards or Annual Fee



<sup>^</sup>Brand is not rank eligible because it does not meet study award criteria.

Source: J.D. Power 2023 U.S. Credit Card Satisfaction Study<sup>SM</sup>

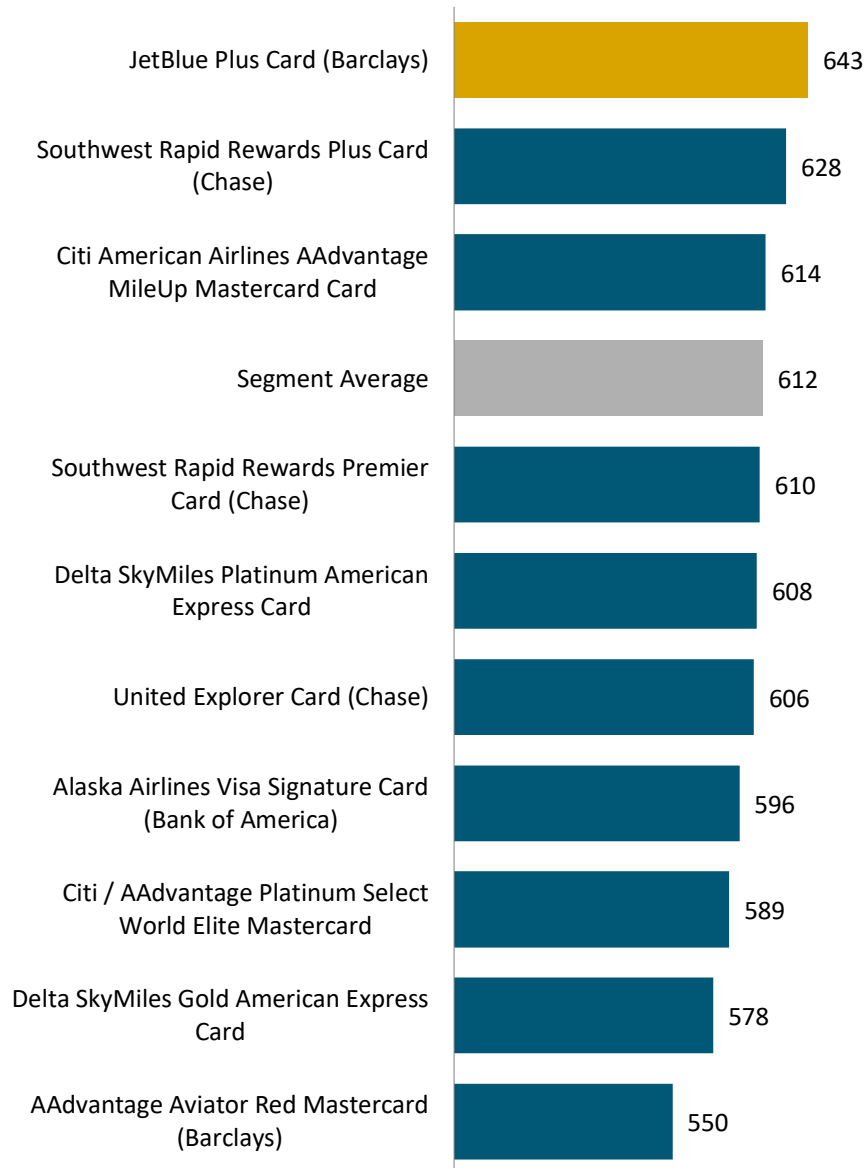
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# J.D. Power 2023 U.S. Credit Card Satisfaction Study<sup>SM</sup>

## Overall Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)

### Airline Co-Brand Credit Cards



Source: J.D. Power 2023 U.S. Credit Card Satisfaction Study<sup>SM</sup>

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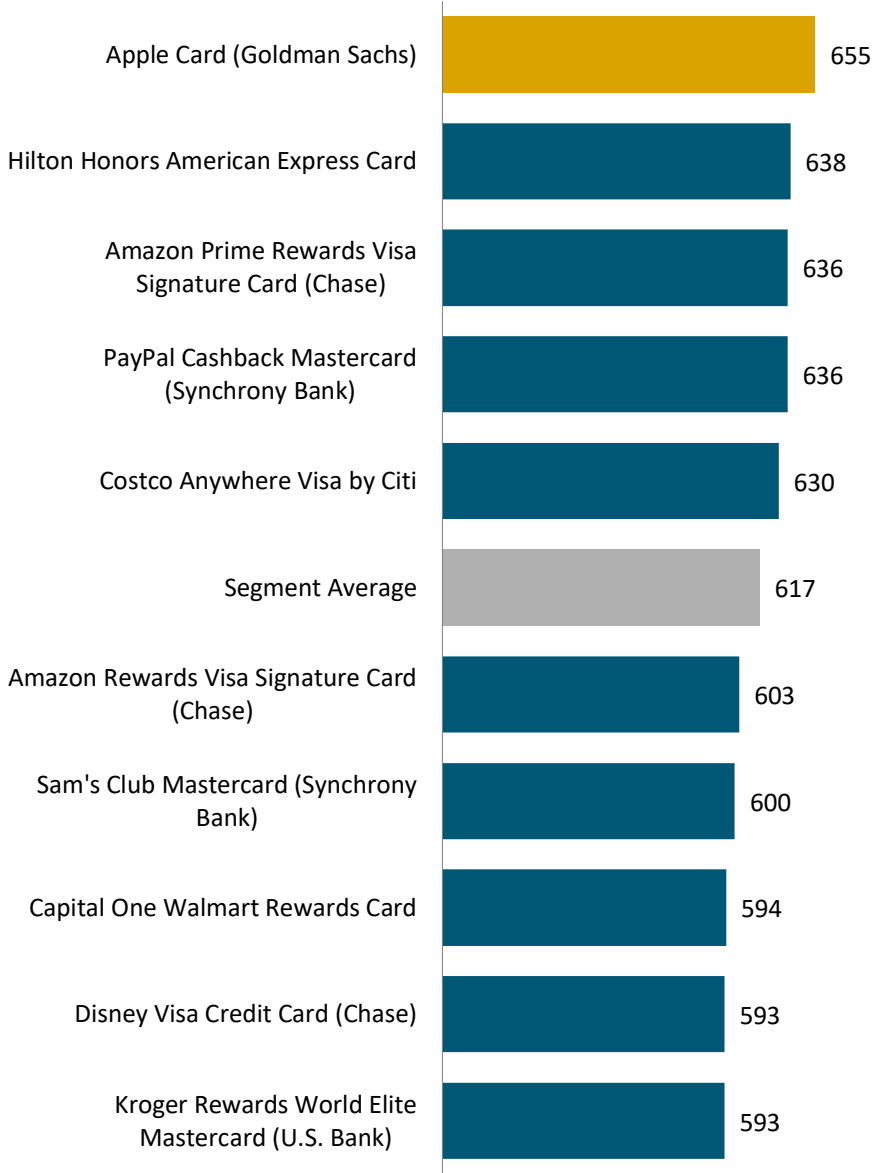


# J.D. Power 2023 U.S. Credit Card Satisfaction Study<sup>SM</sup>

## Overall Customer Satisfaction Index Ranking

(Based on a 1,000-point scale)

### Co-Brand Credit Cards – No Annual Fee



Source: J.D. Power 2023 U.S. Credit Card Satisfaction Study<sup>SM</sup>

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