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## Overview

Our product ratings use a set of 'red line' criteria to calculate an underlying score for each product, which translates to a star rating.

Products can achieve between one and five stars. The more comprehensive the product, the more likely it is to be rated highly.

To achieve a five-star rating, products must meet all of our red line criteria. We focus on core product features, and don't give extra marks for unnecessary features or optional extras.

Our current red line criteria are contained in the following pages.

## How we decide each category

**Everyday business credit cards:** We include all credit cards which don't offer rewards in this category.

**Reward business credit cards:** We include business credit cards which offer rewards for usage in this category.

**Foreign use business credit cards:** We include all business credit cards which can be used overseas in this category.

## Everyday Business Credit Cards

### Red line 1 – Annual Purchase Rate

The annual purchase rate is the interest rate over a year on any debt from purchases made on a credit card. To pass this red line, the annual purchase rate must be no higher than 16.3%. This is the median annual purchase rate for non-reward business credit cards.

### Red line 2 – Cash Withdrawals Interest Rate

The monthly interest rate for cash withdrawals must be no greater than 1.33% - the median for non-reward business credit cards – to pass this red line.

### Red line 3 – Is contactless available?

Everyday business credit cards must come with a contactless payment feature in order to pass this red line.

### Red line 4 – Interest-free period

To pass this red line, cards must have an interest-free period of 56 days on purchases. A 56-day interest-free period is the median interest-free period for business credit cards.

### Red line 5 – Standard use scenario

Our standard use scenario is an attempt to estimate the costs of using a business credit card. It takes into account:

- The cost of the interest that would accrue on £1,000 of purchase debt in a month
- The cost of spending £500 in Europe
- The cost of spending £500 outside of Europe
- The annual fee

The overall cost for this scenario must be £69.25 or less to pass this red line. This figure is the median value for everyday business credit cards.

## Reward Business Credit Cards

### Red line 1 – Annual Purchase Rate

To pass this red line, the annual purchase rate must be no higher than 24.6%. This is the median annual purchase rate for reward business credit cards.

### Red line 2 – Cash withdrawals Interest Rate

The monthly interest rate for cash withdrawals must be no greater than 2.02% - the median for reward business credit cards – to pass this red line.

### Red line 3 – Rewards in first year

This red line estimates the value of rewards that cardholders can get in their first year of holding the card. It takes into account:

- The value of rewards earned on £24,000 of spending (including any introductory offers)
- The annual fee (in the first year)

To pass this red line, the value of rewards minus the annual fee (in the first year) must be at least £275.00. This is the upper quartile for this scenario for rewards business credit cards.

### Red line 4 – Rewards after first year

This red line estimates the value of rewards that cardholders can get after their first year of holding the card. We add this red line because some cards have introductory offers which end during the first year, or waive their fee in the first year. It takes into account:

- The value of rewards earned on £24,000 of spending
- The annual fee (after the first year)

To pass this red line, the value of rewards minus the annual fee (after the first year) must be at least £240. This is the upper quartile for this scenario for rewards business credit cards.

### Red line 5 – Is contactless available

Reward business credit cards must come with a contactless payment feature in order to pass this red line.

### Red line 6 – Using your card in the EU charge

Rewards business credit cards must have a maximum fee of 2.99% for EU usage to pass this red line. This is the median charge for using a rewards business credit card in the EU.

### Red line 7 – Using your card worldwide

The maximum fee for using the card worldwide must be no more than 2.99% - the median charge for using a rewards business credit card worldwide – to pass this red line.

## Foreign Use Business Credit Cards

### Red line 1 – Is contactless available

Foreign use business credit cards must come with a contactless payment feature in order to pass this red line.

### Red line 2 – Foreign use scenario (year 1)

Our foreign use scenario estimates the costs of using a business credit card overseas over the course of a year. It includes:

- The cost (in fees) of spending £1,500 in Europe
- The cost (in fees) of spending £1,500 outside Europe
- The value of the rewards on £3,000 of spending (in the first year of holding the card)
- The annual fee (in the first year)

The cost (in fees) of the overseas spending and the annual fee, minus the value of the rewards, must be £0 to pass this red line, since this represents the best value to the customer.

### Red line 3 – Foreign use scenario (year 2)

We repeat the foreign use scenario for the second year to exclude introductory offers or first-year fee waivers. This scenario includes:

- The cost (in fees) of spending £1,500 in Europe
- The cost (in fees) of spending £1,500 outside Europe
- The value of the rewards on £3,000 of spending (after the first year)
- The annual fee (after the first year)

The cost (in fees) of the overseas spending and the annual fee, minus the value of the rewards, must be £0 to pass this red line, since this represents the best value to the customer.

## Contact Fairer Finance

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