STAR RATING AND AWARD METHODOLOGY

Personal and Car Loans Star Ratings and Awards

October 2025

What are the Canstar Personal and Car Loans Star Ratings?

Canstar's Personal and Car Loans Star Ratings use a sophisticated rating methodology, unique to Canstar, which compares both cost and features across personal loan products available to New Zealand consumers. Canstar's Personal and Car Loan Star Ratings represent a shortlist of products, enabling consumers to narrow their search to products that have been assessed and ranked.

Ratings range from five to one star. Five-star rated products have been assessed as offering outstanding value to consumers.

Profiles

Canstar appreciates the clear distinction of borrowers seeking personal loans as two separate groups. One group uses personal loans for financing motor vehicle purchases while the other group uses personal loans to finance or refinance other scenarios including debt consolidation or holidays. Canstar Personal and Car Loan Star Ratings methodology has been tailored to reflect the distinction between the following groups:

Consumer Profile	Description
Car Loan	Loans must be available for car purchase and be available for $30,000 for a loan period of 5 years.
Unsecured Personal Loan	Loans must be available for either debt consolidation (excluding loans exclusively for debt) or holidays and be available for $15,000 for a loan period of 3 years.

Tiered Products

Tiered products, including those with varying fees, principal amounts, terms and rates depending on the applicant's individual circumstances or credit rating are assessed on their individual tiers. Where the rates advertised for a product are a range, the midpoint of the available rates and fees are considered.

Star Ratings Methodology

Each product reviewed for the Canstar Personal and Car Loan Star Ratings are awarded points for their comparative pricing and for the array of features attached to the product. These features include product functionality, flexibility, additional fees & charges and the application process. Points are aggregated to achieve a Price Score and a Feature Score.

To arrive at the Total Score, Canstar applies a weight against both the Price and Feature Scores. This weight reflects the relative importance of either costs or features in determining the best product. This method can be summarised as:



Price Score

Canstar compares both current and historical loan pricing data to calculate the total cost component of each product's price score.

Included in the total cost is: the interest rate, upfront fees and ongoing fees, which are used to calculate the total cost to repay each loan for the scenarios detailed below. For secured loans Canstar also takes into consideration any one – off documentation & release fees if applicable.

Products with interest rates tiered based on loan principal and term are considered. Where a product has a rate range, the midpoint rate is taken into consideration during calculations. The interest rate incorporated into the calculation of each product's total cost is the equal weighted average interest rate for the applicable six month period.

Consumer Profile	Loan Amount	Term
Car Loan	$30,000	5 Years
Unsecured Personal Loan	$15,000	3 Years

Feature Score

The feature score considers the journey of a typical customer, with individual features allocated points and each category assigned a weighting. The product with the highest feature score is allocated the maximum score, with all remaining products indexed against it.

Subcategory	Car Loans	Unsecured Personal Loan	Description
Research and Calculators	5%		Availability of information and calculators regarding the product
Application and Settlement	40%		Product features, and ease of application process including personal identification, approval and settlement
Loan Purpose	-	30%	Availability for different purposes
Application, Pre-approval and Identification	30%	20%	Application channels, pre-approval and pre-approval time frame
Approval Requirements and Terms	30%	20%	Loan terms, eligibility and deposit requirements
Security Options	15%	-	Security requirements and associated fees
Settlement and Drawdown	25%	30%	Settlement, approval and drawdown timeframes
Management	30%		Management of product during loan life including repayment, redraw, online self service
Loan Repayment	40%		Repayment requirements, repayment options, missed payment fees, early repayment fees
Redraw, Top Up, Offset and Switching Facilities	40%		Availability, conditions and fees of offset, redraw and top up
Online Self Service	20%		View balance online, statement options, cost of ordering paper statements
Customer Service and Support	15%		Online, call centre and physical support
Support Services	90%		Online support and call centre operations
Branch Availability	10%		Physical presence
Loan Closure	10%		Ease of closing loan facility

Canstar Outstanding Value Award

Canstar recognises Personal and Car Loans that deliver outstanding value to New Zealand customers. The Canstar Personal and Car Loans Outstanding Value is awarded to the top performing cards that are available in New Zealand. Products that have achieved 5-stars in the Star Ratings will also be awarded an Outstanding Value Award.

How often are products reviewed for Star Ratings purposes?

Personal Loan Star Ratings are recalculated annually based on the latest features offered by each provider. Canstar also monitors changes on an ongoing basis. The results are published in a variety of mediums (newspapers, magazine, television, websites, etc.).

Does Canstar rate all products available in the market?

We endeavour to include the majority of product providers in the market and to compare the product features most relevant to consumers in our ratings. However, this process is not always possible and it may be that not every product in the market is included in the rating nor every feature compared that is relevant to you.

Does Canstar rate other product areas?

Canstar researches, compares and rates the suite of banking, wealth and insurance products listed below. These Star Ratings use similar methodologies to guarantee quality, consistency and transparency. Results are freely available to consumers who use the Star Ratings as a guide to product excellence. The use of similar Star Ratings logos also builds consumer recognition of quality products across all categories.

Please access the Canstar website at www.canstar.co.nz if you would like to view the latest Star Ratings reports of interest.

- Agribusiness
- Business banking
- Credit cards
- KiwiSaver
- Deposit accounts
- First home buyer
- Home loans
- Online banking
- Personal loans
- Savings and Transaction Accounts
- Term deposits
- Travel Money Cards

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The ratings and awards results do not include all providers and may not compare all features relevant to you. The rating or award is only one factor to take into account when considering these products. Canstar acknowledges that past performance is not a reliable indicator of future performance.

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