STAR RATING & AWARD METHODOLOGY

# Credit Cards

## March 2026

### What are the Canstar Credit Card Star Ratings?

Canstar Credit Card Star Ratings use a sophisticated rating methodology, unique to Canstar, which compares credit card products available to New Zealand consumers. Canstar Star Ratings represent a shortlist of financial products, enabling consumers to narrow their search to products that have been assessed and ranked.

Our rating methodology is transparent and extensive. The methodology compares most types of personal unsecured credit cards in New Zealand and accounts for an array of characteristics such as:

- Fees/Interest rates
- Premium Features
- Number of Free Days
- Reward/Loyalty Programmes
- Standard Features
- No Frills

Ratings range from five to one star and are distributed according to their relative position in this assessment, with five star products assessed as offering the strongest value proposition according to the calculation method outlined in this document. The cost and feature information used to assess each eligible product was collected during the 6 months period leading up to the Star Ratings release date.

It's important to understand that our Star Ratings are informed opinions from Canstar's Research Committee and not product recommendations. Canstar provides general advice based on our comprehensive criteria, we do not recommend that any particular product is suitable for anyone's individual circumstances. Our Star Ratings are crafted to be as informative and helpful as possible, evolving with the market and continuing to serve as a trusted guide for consumers navigating complex product landscapes.

### What are the profiles used for Canstar Credit Card Star Ratings?

Canstar appreciates that credit card users have different spending habits and therefore value different features when assessing which credit card to select. In recognition of these differences, the Canstar Credit Card Star Ratings reflect a range of spending styles and credit card usage patterns.

The Star Ratings methodology differs for each customer segment in terms of the relative importance placed on the fees and features of the products assessed. The table below provides a description on each profile.

Canstar has adopted four different credit card user profiles in an attempt to cover the majority of credit card spending and payment patterns. The Star Ratings methodology differs for each profile in terms of the relative importance placed on the fees and features of the credit cards assessed. For example, the methodology recognises that interest rates will be more important to those who do not pay off their card balance each month compared to those that do pay the balance in full.

| Profile | Description | Eligibility Requirements |
|---|---|---|
|  | For consumers seeking a credit card with a low interest rate and flexible repayment conditions | • Must offer personal and unsecured credit cards<br>• Must offer a credit limit of $6000 on application<br>• Data on six months' worth of rates is required in order to receive a Star Rating |
|  | For consumers seeking a credit or charge card that gives them the optimal return on their everyday spending | The card must offer a rewards program that provides direct access to either cash-back or gift cards. |
|  | For consumers seeking a credit card or charge card that will allow them to redeem points for flights | Rewards points must be able to be transferred to one or more flight rewards programs that offer flights between Auckland and the three destinations considered (Wellington, Los Angeles, Sydney). |
| **Balance Transfers** | For consumers seeking to consolidate and pay off existing credit card debt | • Must offer personal and unsecured credit cards<br>• Must offer a balance transfer of $5,000<br>• Data on six months' worth of balance transfer data is required in order to receive a Star Rating |

## How are the Star Ratings calculated?

Each credit card reviewed for the Canstar Credit Card Star Ratings is awarded points for its comparative costs and for the array of features attached to the card. These features include research resources, support for the card, repayment capabilities and conditions attached to interest charging.

To arrive at the total score, Canstar applies a weight (W) against the price score (P) and the feature score (F). This weight may vary for each profile of credit card usage. The weight will reflect the relative importance of either costs or features in determining the best value card for the type of credit card usage and payment.

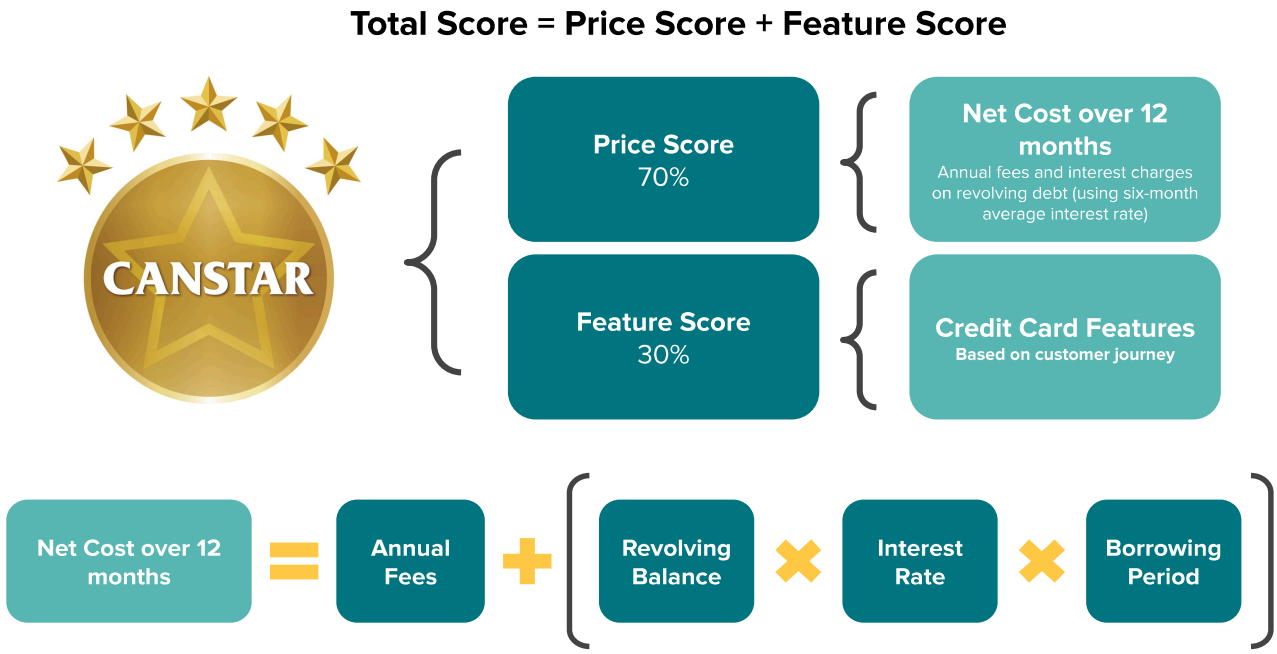
**TOTAL SCORE = PRICE SCORE + FEATURES SCORE**

The table below outlines the weights allocated to price and features by profile:

| Profile | Pricing Weight | Feature Weight |
|---|---|---|
| **Low Rate** | 70% | 30% |
| **Rewards** | 70% | 30% |
| **Flight Rewards** | 70% | 30% |
| **Balance Transfer** | 70% | 30% |

## Low Rate Credit Cards

The price score for the low rate credit card profiles is based on the net cost of owning the credit card for 12 months. The lowest cost product will receive the top score.




| Profile | Annual Purchases | Revolving Balance | Borrowing Period (months) | Price Score Weight |
|---|---|---|---|---|
| **Low Rate** | $14,000 | $6,000 | 12 | 70% |

Additional factors included in price score:

- Annual fee waivers based on specific spending behaviours.
- Average interest rate from the previous six months.

Not considered in price score:

- Promotional annual fee waivers.
- Availability of rewards points (see feature score).
- Balance transfer or promotional rate offers (see feature score).
- Additional fees and charges (see feature score).
- Interest charging methodology e.g. Interest charged from purchase date, statement date, or due date (see feature score).

## Rewards Credit Cards

Rewards credit cards are those that allow the cardholder to access either cash or gift vouchers.

**Total Score = Price Score + Feature Score**




The Price score for the Rewards credit cards is based on the Net Reward Return over 12 months. The card with the highest net reward return will receive the top price score.




| Annual Spend Profile | Monthly Spend | Revolving Balance | Borrowing Period |
|---|---|---|---|
| $12,000 | $1,000 | $500 | 1 month |
| $24,000 | $2,000 | $1,000 | |
| $60,000 | $5,000 | $2,500 | |
| $120,000 | $10,000 | $5,000 | |

Additional factors included in price score:

- Annual fee waivers based on specific spending behaviours
- Bonus points earned at different merchants
- Capping/tiered earn rates on spending
- Liquidated damages fee in lieu of interest rate (for charge cards)
- Free extras where measurable in dollar terms and relevant to consumer profile

Not considered in price score:

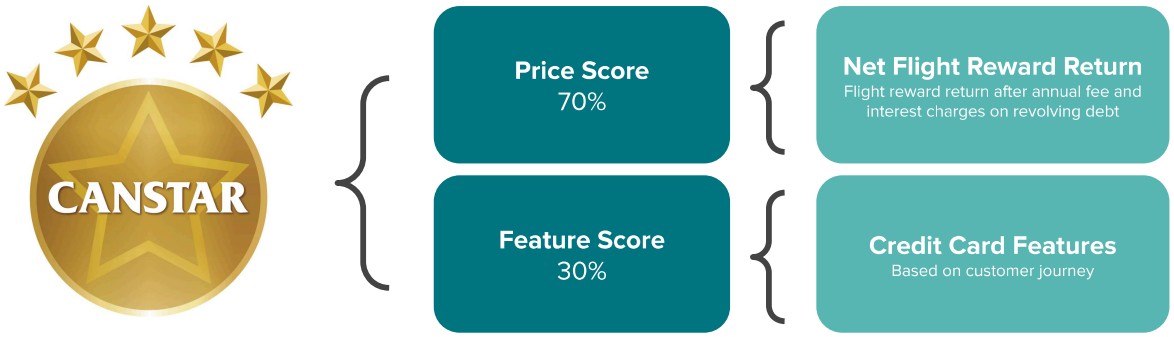
- Promotional annual fee waivers (except when waived/lowered “for life”)
- Points/vouchers/other incentives available only to new customers
- Bonus points earned through rewards program that are not exclusive to the credit card (i.e. scanning a rewards card barcode to receive bonus points—these bonus points can be attained without the use of the credit card)

## Flight Rewards Credit Cards

Flight rewards credit cards are those that allow access to flight redemptions through frequent flyer programs on one domestic route flying return from Auckland to Wellington and two international routes flying return from Auckland to Los Angeles and Auckland to Sydney.

Current airline programs considered include those from: Air New Zealand.

**Total Score = Price Score + Feature Score**




The price score for flight rewards credit cards is based on the net flight reward return over 12 months. The card with the highest net flight reward return will receive the top pricing score.




| Annual Spend Profile | Monthly Spend | Revolving Balance | Borrowing Period |
|---|---|---|---|
| $12,000 | $1,000 | $500 | 1 month |
| $24,000 | $2,000 | $1,000 | |
| $60,000 | $5,000 | $2,500 | |
| $120,000 | $10,000 | $5,000 | |

Additional factors included in Price score:

- Best airline redemption option for three different routes
- Taxes, fees and airline charges levied on reward redemptions
- Market value of the flight (based on quoting undertaken six months in advance)
- Free flights and travel vouchers (when offered on an ongoing basis)

Not considered in Price score:

- Promotional annual fee waivers (except when waived/lowered “for life”)
- Points/vouchers/other incentives available only to new customers
- Bonus points earned through rewards program that are not exclusive to the credit card (i.e. scanning a rewards card barcode to receive bonus points—these bonus points can be attained without the use of the credit card)
- Redemption of frequent flyer points for other types of rewards (e.g. gift cards or merchandise)

## Spending Assumptions

**Merchant Categories**

Where credit cards offer bonus earn rates for spending at different types of merchants, an assumption is made that a proportion of total card spending will fall into one of six different categories:

| | |
|---|---|
| **Staple:** | Supermarkets |
| **Discretionary:** | Department stores |
| **Petrol:** | Major petrol stations |
| **Holidays:** | Airlines, Tour operations, Car Rental, Travel Agencies etc. |
| **Dining:** | Restaurants |
| **Other:** | All other merchants where a 'standard earn rate' would apply |

The table below outlines how the annual spend amount is distributed across the six spending categories on a weekly basis. Each category's allocation is shown as both a percentage of the total annual spend and its equivalent weekly dollar amount:

| Purchases Per Annum | Proportion of spending / Purchases per week | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Staple | | Discretionary | | Petrol | | Holidays | | Dining | | Other | |
| $12,000 | 30% | $69 | 10% | $23 | 15% | $35 | 5% | $12 | 5% | $12 | 35% | $81 |
| $24,000 | 27% | $125 | 15% | $69 | 13% | $60 | 5% | $23 | 5% | $23 | 35% | $162 |
| $60,000 | 24% | $277 | 18% | $208 | 10% | $115 | 5% | $58 | 7% | $81 | 36% | $415 |
| $120,000 | 20% | $462 | 20% | $462 | 6% | $138 | 7% | $162 | 10% | $231 | 37% | $854 |

For American Express cards, 40% of the "Other" spending earns no points, whilst the remaining 60% will earn points at the 'standard earn rate'. This recognises the lower rates of merchant acceptability of these cards.

## Balance Transfer Credit Cards

The price score for the balance transfer credit card profiles is based on the total cost of paying off a $5,000 balance transfer across a range of monthly contribution profiles considering different monthly amounts. For each profile, the credit card with the lowest total cost receives the highest score and is used as the benchmark.

**Total Score = Price Score + Feature Score**




To arrive at the overall Star Rating, each monthly contribution profile is assigned a specific weighting to reflect its relative importance within the overall methodology based on the varying fees and interest charges applicable in the different debt consolidation scenarios.

The table below outlines the weights allocated to each monthly contribution profile:

| Monthly Contribution* | Weight |
|---|---|
| $50 per month | 25% |
| $100 per month | 30% |
| $150 per month | 30% |
| $200 per month | 10% |
| $250 per month | 5% |

*The monthly contribution is the amount paid each month towards paying off the balance transfer amount. It does not include any additional payments that may be required in the case of purchases made on the card. To ensure a robust comparison, this calculation does not account for any required minimum repayments (e.g., 2.5% of the balance or $25), as these vary between cards.

**Total Cost**

To calculate the Total Cost of repaying the balance transfer amount across different contribution profiles, the following components are taken into account:

- Application fees.
- Ongoing card fees (including any reduced first-year fees).
- 6-month average balance transfer fees (e.g., 3% of the transfer amount).
- 6-month average introductory balance transfer offers (e.g., 0% for the first 12 months).
- 6-month average revert interest rate applied after the introductory period ends.

Each card's total cost is calculated for the five contribution profiles. The repayment schedule calculations consider up to 100 years, with any remaining balance after that period added to the total cost. This handles cases of negative amortisation, where it is impossible to pay off the balance at the applicable monthly repayment, while still suitably penalising cards where this is the case.

Not considered in the total cost for Balance Transfer credit cards

- ✗ Interest costs on balances owing from making purchases on the card.
- ✗ Availability of rewards points.

## Price Score Summary

The following scenarios are used for the various profiles to calculate the price score:

| Profile | Reward Return | Charge Cards Included | Annual Purchases | Revolving Debt | | |
|---|---|---|---|---|---|---|
| | | | | Amount | Period (months) | Six-month average rate/ BT used* |
| Low Rate | ✗ | ✗ | $14,000 | $6,000 | 12 | ✓ |
| Balance Transfer | ✗ | ✗ | $0 | $5,000 | Until paid off, or 1200 months | ✓ |
| The below profiles are each rated for different amounts of annual spending. A range of spending levels 20% either side of the target values below are considered, to account for caps or earning tiers. | | | | | | |
| Rewards | ✓ | ✓ | $12,000<br>$24,000<br>$60,000<br>$120,000 | $500<br>$1,000<br>$2,500<br>$5,000 | 1 | ✗ |
| Flight Rewards | ✓ | ✓ | | | | |
| ✓ Included ✗ Not Included | | | | | | |

*Including the six-month interest rate for credit cards in the Low Rate profile, and six-month average balance transfer components in the Balance Transfer profile including; balance transfer fees, introductory balance transfer interest rate and period, and balance transfer revert interest rate applied after the introductory period ends.

## Feature Score

Each card feature is allocated points. Points are awarded for traits such as low fees or greater flexibility. The total feature score for each category of information (e.g. repayment) is ranked and weighted with each category contributing to the overall feature score.

Refer to the table below for weights allocated to the customer journey feature score.

| | Low Rate | Balance Transfer | Rewards/Flight Rewards |
|---|---|---|---|
| **Research** | **5%** | | |
| **Application and Onboarding** | **10%** | | |
| **Application and Identification** | **60%** | | |
| **Onboarding** | **40%** | | |
| **Using the Card** | **45%** | | |
| **Transactions** | **-** | **35%** | |
| Merchant Acceptability | - | 10% | |
| Making Purchases | - | 70% | |
| Cash Advances | - | 20% | |
| **Repayments and Interest Charging** | **100%** | **50%** | **15%** |
| Repayments | 40% | | 50% |
| Interest Charging | 50% | | 50% |
| Balance Transfers and Introductory Rate | 20% | | - |
| **Card Facilities and Benefits** | **-** | **15%** | **50%** |
| Rewards Program | - | - | 50% |
| Insurance | - | 90% | 20% |
| Airline Lounge | - | - | 15% |
| Services | - | 10% | 15% |
| **Support for the Card** | **35%** | | |
| **Account Management** | **40%** | | |
| **Support Services** | **15%** | | |
| **Branch Access** | **10%** | | |
| **Security and Fraud Detection** | **35%** | | |
| **Closing the Account** | **5%** | | |
| **Closure** | **100%** | | **70%** |
| **Impact on Rewards Points** | **-** | | **30%** |

## Bank of the Year - Credit Cards Award

The Bank of the Year - Credit Cards Award is based on the cumulative performance providers across the Low Rate, Rewards, and Flight Rewards Credit Card Star Rating profiles as well as the satisfaction levels of their customers. The performance of providers or products in the Balance Transfer profile does not contribute to the Bank of the Year - Credit Cards Award. The weights assigned to each consumer profile and customer satisfaction are outlined below:




## Customer Satisfaction

Canstar measures and tracks customer satisfaction amongst New Zealand adults across a range of financial categories via ISO 20252 accredited research panels. The sample is broadly representative of the New Zealand population in terms of gender, age and location.

Only people who have identified their primary credit card provider are able to answer the questions and be included in the survey results*.

The customer satisfaction score is based on weighted scores for the drivers of overall satisfaction. Weights for individual factors are determined by measuring the influence of each factor on overall satisfaction. The weights attributed to these factors are outlined below:

| Subcategories | Weights |
|---|---|
| Value for Money | 30% |
| Customer Service | 25% |
| Security | 10% |
| Communication | 10% |
| Digital Banking | 10% |
| Fees and Charges | 10% |
| Interest Rate | 5% |

* Where a provider does not have a sample size of 30 or greater, the average satisfaction score across all credit card providers is used.

## Canstar Outstanding Value Award

Canstar recognises Credit Cards that deliver outstanding value to New Zealand customers. The Canstar Credit Cards Outstanding Value is awarded to the top performing cards that are available in New Zealand. Products that have achieved five stars in the Low Rate, Rewards, and Flight Rewards Star Ratings will be awarded an Outstanding Value Award. Products are not awarded an Outstanding Value Award for Balance Transfers.

**Who was considered in the Awards?**

American Express Company

ANZ Bank New Zealand Limited

ASB Bank Limited

Bank of New Zealand

Latitude Financial Services Limited trading as Gem

Kiwibank Limited

Southland Building Society trading as SBS Bank

SBS Money Limited

The Co-operative Bank Limited

TSB Bank Limited

Westpac New Zealand Limited

## How often are products reviewed for Star Ratings and Award purposes?

Ratings and Awards 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 for quality, consistency and transparency. Results are freely available to consumers who use the Star Ratings as a guide to product excellence. The use of Canstar Award 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.

- Business deposits
- Term deposits
- Credit cards
- Credit card rewards
- Car Insurance
- Home loans
- Kiwisaver
- Digital banking
- Personal loans
- Savings accounts
- Transaction accounts
- Home & Contents Insurance
- Travel Insurance

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