



Gift Cards a Consumer Friendly Choice This Holiday Season

Security PINs and E-Cards increasingly popular

NEW YORK – November 9, 2015 – Gift card fees are on the decline and card security protections are on the rise, according to a new Bankrate.com (NYSE: RATE) report. Bankrate.com surveyed 60 widely-used gift cards to determine which have the most consumer-friendly features.

Security protection is one of the most popular features added to gift cards this year. Half of the gift cards surveyed now offer the ability to add a security code (up from 35% in 2014), which can help protect the balance on a lost or stolen gift card. In addition, 72% of the cards have some form of loss and theft protection (up from 68% last year), though e-cards are more likely to have this protection than traditional gift cards.

These added security features are a good benefit for the one in four Americans who have lost a gift card. Millennials (18-29 year-olds) in particular are the worst offenders; almost four in 10 have lost a gift card before using its entire balance.

“With so many recent data breaches and the transition to EMV chip credit cards, security is top of mind for many Americans,” said Claes Bell, CFA, Bankrate.com banking analyst. “Retailers are taking note and have made gift cards a much safer way to spend money.”

Gift cards continue to be a wildly popular choice – 76% of Americans have given someone a gift card and 83% have received a gift card. The most common value given is between \$25 and \$50. This is true across all income levels.

The type of gift card people prefer depends on their age. Americans under 65 years old prefer a general purpose gift card such as an American Express or Visa gift card, while those 65 and older prefer a gift card specific to a retail store or restaurant.

Of course, the gift of choice comes at a higher cost. All of the widely-held general-purpose cards that Bankrate surveyed charge purchase fees ranging from \$3.95 to \$6.95, while only 4% of store-specific cards charge purchase fees.

“Gift card gotchas are much rarer than they used to be,” said Bell. “Everyone should still do their research before making a purchase, but generally, consumers don’t have to worry about being swindled when buying or using a gift card from a major bank or retailer.”

Additional Findings:

- 67% of the cards are available as e-cards, up from 59% last year.

- Just 13% of cards have any kind of purchase fee – down from 17% last year.
- Only 8% of the cards have any kind of expiration. Some expiration dates only apply for the physical card, not the funds loaded to the card.

More information is available here:

<http://www.bankrate.com/finance/credit-cards/compare-gift-cards.aspx>

Bankrate.com analyzed the terms and conditions of 60 widely-held gift cards in September 2015.

In addition, Bankrate.com commissioned Princeton Survey Research Associates International (PSRAI) to survey consumers regarding their gift card habits. PSRAI obtained telephone interviews with a nationally representative sample of 1,000 adults living in the continental United States. Interviews were conducted by landline (500) and cell phone (500, including 305 without a landline phone) from October 1-4, 2015. Statistical results are weighted to correct known demographic discrepancies. The margin of sampling error for the complete set of weighted data is plus or minus 3.8 percentage points.

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For more information:

Caroline Farhat
Senior Publicist
caroline.farhat@bankrate.com
(917) 368-8638