



# Prepaid as a Credit Card Turndown Card UniCredit AXA Payment Card in Czech Republic

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Prepared by:

David Parker

Lindsay Harben

## Background AXA Card

- This chip card with is provided to AXA Pension Fund's current clients in order to drive loyalty.
- The cardholder becomes a member of the AXA Club loyalty program, which provides opportunity to save even more money for supplemental pension insurance.
- The card is issued free of charge with no monthly fee for account maintenance and no annual fee for the first year
- It allows for repeated borrowing with a 45-day interest-free grace period.
- The Visa AXA card gives you a possibility allows the customer to save money on an ongoing basis in the Czech by using the card to pay for their regular expenses (gasoline, drugstore products, travel, groceries, clothing, etc.)

Annual fee for the first year	free
Annual fee – subsequent years	free *
Account maintenance	free
Monthly statement	free
Monthly interest	1.95%

\* Free if total card purchases for the year exceed CZK 35,000. Otherwise, a fee of CZK 360 will be charged.



## Loyalty Benefits of the Card

- 1% of every purchase using the card at any retailer in the Czech Republic and abroad is credited to their supplemental pension insurance account. Only 0.3% for pre-paid card
- They earn even more money in your supplemental pension insurance account for purchases in AXA Club member stores
- They can receive contributions to their supplementary life insurance with the following partners:



CZK 0.50 for every liter
3 % of every purchase over CZK 500
3 % of every purchase over CZK 500
3 % for every purchase
3 % for every purchase
3 % of every purchase
4 % of the basic price for a last minute trip
8 % of the basic catalogue price for a trip
7 % of every purchase
5 % of every purchase
3 % of every purchase

# The Card

## How it Works

- Customer applies for 'Payment Card'
- The customer on application can request the prepaid card but this is not encouraged by the bank
  - Bank does not pay AXA commission for prepaid (no motivation for AXA)
- If Turned down the customer is automatically sent a prepaid payment card
- Customer must activate the card, and gets education through the process to drive this activation
- If they use the card for six months they can call and request an upgrade to a credit line (initially at a low level), using the same card
- Twice a year Unicredit review base and offer to those that have a good use of the card a small credit line e.g 400 Euros
- No monthly salary payment is required just some history of use of the card to obtain the upgrade
- There is no specific credit reporting to credit agencies other than that normally reported from a credit card

# The Result

## Take Up/Use/Conversion

- Of the people sent a prepaid card 75% will activate
  - Originally approx 40% did not activate but with better CRM this has been reduced to 25%
- Of those who activate the card a third then go on to use the card
- Of those using the card half then go on to obtain a credit line in the future

## In Summary

- Per 90 people that get a prepaid card, 68 people activate card, 23 use the card and 12 go on to get a credit card approximately roughly a 13% conversion to credit from those sent out a prepaid card.



**polymath**  
consulting

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**David Parker**

[davidparker@polymathconsulting.com](mailto:davidparker@polymathconsulting.com)

**07712 079 307**

**Lindsay Harben**

[lindsayharben@polymathconsulting.com](mailto:lindsayharben@polymathconsulting.com)

**07507 400 112**

[www.polymathconsulting.com](http://www.polymathconsulting.com)