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11/08/2017

Under embargo until 00:01 Friday 11<sup>th</sup> August 2017

## Canny Brits pay off holiday credit – before setting foot abroad

- Credit cards are now the most popular payment method for Brits booking their holidays, used by 56%
- 84% of holidaymakers who book travel with credit cards pay this off in full before the start of their holiday
- 51% also use their card so they are protected under Section 75 of the Consumer Credit Act

Credit cards are now the most popular way for Brits to pay for holidays and an overwhelming majority who use credit cards when booking holidays will have paid off their balance in full before travelling, new research from Halifax reveals today.

Among those who use credit cards to pay initially for their holidays, 84% repay this balance in full before their departure, according to a survey of over 2,800 British adults conducted by polling agency TNS for Halifax. By contrast, those who pay off credit cards only after returning from their holidays (16%) are outnumbered five times over by this cautious majority.

This pattern of repaying holiday credit cards is also nearly identical across all income groups. For those on incomes of up to £25k in total for their household, 83% of those who pay for travel with credit cards pay off the balance before leaving. This is identical to the proportion of those whose households take home more than £75k in total. For those on more average incomes, who use credit cards to book and pay back balances before leaving, this is only marginally higher at 84%.

Across the population, credit card bookings are now the favourite payment method for Brits to book a holiday (for 56%). This compares to 30% of all British adults who use savings, via a debit account, to pay for their holidays upfront, and just 6% who pay monthly via direct debit (e.g. repayments to a travel agency).

Using credit cards when booking holidays also means travellers are protected under section 75 of the Consumer Credit Act<sup>1</sup> (where the credit provider can take on some responsibility for breaches of contract by the supplier).

**Jon Roberts, director of cards at Halifax, comments:** “For the majority of holidaymakers, credit cards have become an indispensable method of payment, rather than a way of borrow for a longer period of time.

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05/07/2017

“Credit cards don’t have to be more expensive if paid off in good time, and some can even save considerable amounts if you choose the best credit cards for travel abroad – compared to more costly ways to get access to foreign currency.

“With the number of trips we make overseas up 8% in the last year\*, getting a good deal matters. Holidaymakers should shop around for the best deals – considering the best credit cards for their travel plans in a similar way to how they might shop around for the best hotel deals, or minimise overseas fees for other services like data roaming. Meanwhile, the minority who do need to spread their holiday costs for longer, beyond their return, should also consider a card with an initial interest-free period, if they can make sure they pay back the balance before this ends.”

- ENDS -

## Notes to editors:

**Data source:** TNS polled a nationally representative sample of 2,803 British adults (aged 18+) in May 2017.

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1 <http://www.legislation.gov.uk/ukpga/1974/39/section/75>

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