

Minimum Amount Due for Credit Cards

In line with the best customer practices, Standard Chartered Bank has introduced a company-wide change in the Minimum Amount Due applicable on all Standard Chartered credit cards. This has been done in order to further improve our global services and help our cardholders better manage the repayment of their outstanding balances.

Please note that under the revised Minimum Amount Due (MAD) calculation, effective from the 1st of July 2014, will be calculated as follows:

- If your current balance is less than AED 110, you will have to pay the balance in full.
- In case the current balance amount is more than AED 110, the Minimum Amount Due will be equivalent to AED 110 or 1% of your principal balance amount, whichever is higher.
- In addition to the above stated amount, the following fees and charges (all or those applicable) will also be a part of the minimum payment amount:
 - Financial Charges
 - Late payment fee+ Over limit fee
 - Any amount payable over and above the credit limit of the credit card
 - Amount of the unpaid/outstanding minimum payment amount due in the previous month(s) date
 - Fixed monthly installment (if you are subscribed to an installment plan)

What is the new Minimum Amount Due policy?

The new Minimum Amount Due will now be equivalent to 1% of the principal balance plus all fees and charges (Financial Charges, Late Payment charge etc) OR AED 110*, whichever is higher.

*For UAE Customers

When will this change occur?

1st July 2014

How will this affect you?

The new Minimum Amount Due policy will only **make a difference** to customers who pay the minimum amount due every month.

For customers who make full payments on their outstanding balances every month, this revision will not **change any** customer experience.

Below are a few examples on how the change might affect you:

Example 1 - if you always make a full payment

- You have spent AED 60,000 which is also the total outstanding amount as per the statement (Retail Balance of AED 60,000)
- You always pay the full amount on or before the due date
- You always remain within your credit card limit
- No finance charges, no late payment or over limit charges

For this example the minimum amount due is AED 600

Why? You pay the total outstanding balance every month and do not get charged any fees or finance charges. Minimum amount due will be 1% of the outstanding balance (retail balance)

Example 2 – if you don't pay the full balance every month

- You always pay less than the total outstanding amount every month but pay more than the Minimum Amount Due (does not miss payments)
- Total outstanding balance is AED 4,995
- Retail balance is AED 4,838
- Fees and charges balance is AED 157
- Finance charges will be applicable
- No over limit or late payment fee

For this example the minimum amount due is AED 205

Why? Because 1% of the retail balance of AED 4,838 = AED 48 + financial charges (3.25% on the retail balance of AED 4,838) of AED 157 (100% of Financial Charges) = AED 205

Example 3 – if you are charged late payment charges

- You usually pay the minimum amount due each month on time
- You stay within your credit card limit
- Last month, your payment was delayed
- Total outstanding balance of AED 51,825 (Retail balance of AED 50,000 + AED1,825 of charges)
- AED 1,625 of finance charges + AED 200 late payment charge
- Arrears from last month of AED 3,000 (minimum amount due of last month not paid)

For this example the minimum amount due is AED 5,325

Why? Because 1% of the retail balance of AED 50,000 = AED 500 + financial charges of AED 1,625 (100% of Financial Charges) + a late payment fee of AED 200 (100% of charges) + arrears of AED 3,000 = AED 5,325

Example 4 - if you are charged with an over limit charge

- You don't always pay the total outstanding amount every month
- Last month, you exceeded the credit card limit by AED 525
- Your total retail balance is AED 10,525
- You have a credit limit of AED 10,000
- Finance charges of AED 325
- Over limit charge of AED 200

For this example the minimum amount due is AED 1,172

Why? Because 1% of retail balance of AED 10,525 = AED 105 + AED 342 (3.25% on the retail balance of AED 10,525) + AED 200 (100% of Over limit fee) + over limit amount of AED 525 = AED 1,172

Example 5 - You are charged late payment charge, Over Limit charge and do not pay in full every month

- You have spent over your credit limit of AED 25,000 last month
- Last month, your payment was delayed
- Your total outstanding balance of AED 25,700 (Retail Balance of AED 25,700)
- Finance charges of AED 835
- AED 200 late payment charge & AED 200 over limit charge

For this example the minimum amount due is AED 2,192

Why? Because 1% of the retail balance of AED 25,700 = AED 257 + AED 835 (3.25% on the retail balance of AED 25,700) + AED 200 (100% of Over limit fee) + AED 200 (100% of Late payment fee) + over limit amount of AED 700 = 2,192

Example 6 - You are a Saadiq Credit Card customer with arrears

- You have a total outstanding balance of AED 7,500 on his Saadiq Platinum Credit Card
- Last month, your payment is delayed
- You are charged a late payment fee of AED 200
- You are charged the maintenance fee of AED 1,000

For this example the minimum amount due is AED 1,675

Why? Because 1% of retail balance of AED 7,500 = AED 75 + AED 1,000 (100% of Maintenance fee) + AED 200 (100% of Late payment fee) + last month arrears of AED 400 = AED 1,675

Will this change increase the minimum payment?

For the vast majority of customers, this revised policy will reduce the Minimum Amount due and is in line with our Here for Good brand promise

How does this change my normal routine?

The new Minimum Amount Due policy will only make a difference to customers who pay the minimum amount due. For customers who make full payments on their outstanding balances, this revision will not change any customer experience

The Minimum Amount Due will now be calculated as follows:

- If your current balance is less than AED 110, you will have to pay the balance in full.
- In case you current balance amount is more than AED 110, the Minimum Amount Due will be equivalent to 1% of your principal balance amount or AED 110, whichever is higher.
- In addition to the above stated amount, the following fees and charges (all or those applicable) will also be a part of the minimum payment amount:
 - Financial Charges
 - Late payment charges
 - Cheque return fee
 - Any amount payable over and above the credit limit of the credit card
 - Amount of the unpaid / outstanding minimum payment amount due in the previous month(s) date
 - Fixed monthly instalment (if you are subscribed to an instalment plan)

What if I require more information about the Minimum Amount Due policy?

If you require any information about the new Minimum Amount Due policy, please feel free to call our 24 Hour Phone Banking Service at 600 522288.