

**House of Representatives Standing Committee on Economics
Review of the Four Major Banks (Second Report)
National Australia Bank (NAB)**

NAB44QW: On your credit card products, do you charge interest other than from the end of the statement period on the amount outstanding at the end of that date?

Answer

A benefit of a credit card is that the customer can borrow for a number of days interest free, provided the customer pays the full amount outstanding by the due date. This is set out in the terms and conditions of the credit card.

Credit card interest is typically charged on the following basis:

- If the account has an interest free period, and the closing balance of the credit card account is not paid in full by the payment due date each month, interest on purchase transactions is calculated from the day the transaction originally took place until the end of the statement period.
- If the account doesn't have an interest free period, interest on purchase transactions is calculated immediately. For example, generally the date the transaction takes place, and is billed at the end of each statement period.
- Interest on purchases is calculated daily on the outstanding amount until the transaction is paid off in full.