

# SUMMARY OF FINDINGS:

Design and Testing of Prepaid Card Fee Disclosures

November  
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**SUBMITTED TO:**

Consumer Financial Protection Bureau

**SUBMITTED BY:**



ICF International  
9300 Lee Highway  
Fairfax, VA 22031

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## Executive Summary

Prepaid card products are among the fastest growing payment instruments in the United States, and consumers are increasingly using these products as an alternative to traditional checking or demand-deposit accounts. Consumers may reload funds onto a prepaid card using cash, through direct deposit of their paychecks or government benefits, and can use their prepaid cards to withdraw funds at ATMs or to make purchases in stores. However, currently some prepaid products may not carry the same consumer protections given to checking accounts under federal law, and are not subject to the same disclosure rules.

The Electronic Fund Transfer Act (EFTA), enacted in 1978, establishes the rights, liabilities, and responsibilities of participants in electronic fund transfer (EFT) systems, with the primary objective of providing individual consumer rights. The EFTA is implemented, in part, by the Consumer Financial Protection Bureau (CFPB) in Regulation E (12 CFR part 1005). The CFPB is developing a proposed rulemaking that would specify how Regulation E applies to prepaid accounts. As a result, the agency seeks to determine how to best ensure that consumers have the information they need in order to make informed decisions about these products.

Since October 2013, the CFPB has been working with ICF International (ICF) to develop model forms illustrating how fee and other information for prepaid accounts can most effectively be disclosed. In December 2013, ICF conducted four exploratory focus groups with consumers to learn more about their use and understanding of prepaid accounts, as well as what factors they consider when making acquisition decisions. After these focus groups were complete, ICF helped the CFPB use the findings to develop model forms that described important information about prepaid accounts. In the second phase of the research, ICF conducted three rounds of iterative user testing of these model forms through in-depth interviews. ICF worked with the CFPB to revise the forms between rounds in order to address any issues that arose during the testing. ICF's research involved a total of 69 consumers, and data were collected in four different cities across the country.

## Summary of Key Findings

- Participants in the focus group sessions were asked how they chose the prepaid card they had purchased most recently from among the multiple products on the market. By a wide margin, three factors were mentioned most often by participants. In order of frequency, these factors were (1) low fees; (2) convenience (*e.g.*, wide acceptance of a card at stores or ATMs); and (3) advertising or brand recognition.
- Focus group participants were asked to identify the fees that were most important to them when selecting a prepaid card. By far, the four fees mentioned most frequently by participants were the monthly fee and fees for loading cash into their account, withdrawing money at an ATM, and making purchases. Because of their importance to consumers, these four fees were highlighted in most of the forms developed for the user testing interviews.
- Over the course of the project, the CFPB tested several different formats for the model forms. For example, while all forms listed fees in a table, some versions grouped those fees into categories while others did not. Throughout all rounds, participants consistently expressed a



preference for a format in which the four most important fees (*i.e.*, monthly, cash reload, ATM withdrawal, and per purchase fees) were in large, bold print at the top of the form. This “top-line” format is used in the proposed model forms that the CFPB will publish with its proposed rules.

- Throughout the three rounds of testing, the vast majority of participants were able to successfully identify fees on the forms when asked (*e.g.*, when asked whether there was a monthly fee, they could find the fee on the form). There were misconceptions as to the details of some of the fees (*e.g.*, participants did not always see or understand information associated with asterisks), but the overall format of the forms proved easy for participants to navigate.
- Most of the user testing focused on “short forms” that included a subset of fee information about a given product. When shown short forms, most interview participants understood that they presented only a subset of fee information and that they could potentially be charged other fees not shown on the forms.
- Participants in all three rounds of testing were asked whether there was any additional information that was not displayed on the short form that they felt it was important to include. Only a few participants mentioned any additional fees that they thought should be included; nearly all participants felt that the fees that were listed were those that were mostly likely to factor into their purchase decisions.
- In some forms, fees that could vary due to usage were followed by superscript asterisks. These asterisks linked to footnotes that described situations in which the fees might be differ from the amount shown on the form. A few participants in each round connected fees to the wrong footnotes. As a result, the CFPB shifted to an approach in which any variable fees were linked to a single, more general footnote that those fees “could be less depending on how and where this card is used.” The use of a more general footnote eliminated the confusion caused by multiple, more specific references. However, when participants viewing these forms were asked in what situations they thought fees might vary, some of their responses seemed to reflect incorrect assumptions about when fees might be lower.
- One of the form versions included a graphic that showed how each of the four top-line fees compared to those charged by other prepaid cards. However, participant comprehension of this graphic was very low, and even those few participants who did understand it did not consistently find it useful. Therefore, the graphic was not included on any forms that were subsequently tested.
- The short forms also included text indicating that consumers could get more detailed and comprehensive information about fees by contacting the provider in various ways.<sup>1</sup> Almost all participants understood that they could access this information, although it was not always clear whether this understanding was based on the text on the form or personal experience.

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<sup>1</sup> The forms tested in Rounds 1 and 2 provided a specific website at which consumers could access comprehensive fee information; the forms tested in Round 3 indicated that consumers could get this information going online or by calling or texting the company.

- In all three rounds of testing, participants engaged in shopping simulations in which they were shown fee information for two different products and asked to indicate which of the two they would choose. In these simulations participants were shown both short forms and “long forms,” which listed all of the fees that could possibly be charged as well as additional details about how and when those fees could be charged. These simulation exercises showed that participants were capable of using both short and long forms to compare prepaid cards, and to make purchase decisions based on fee tradeoffs between them. Participants, however, did take longer to come to a decision when choosing between long forms, compared to the short forms (approximately 4 minutes vs. 2 minutes, on average). They also demonstrated difficulty handling two long form disclosures simultaneously, particularly when they attempted to use the long forms to compare products while standing up.
- Nine participants were asked to compare two prepaid card packages containing long form disclosures, and to indicate which of the two they would purchase. When asked to describe all the reasons that they chose one of the two prepaid cards over the other, participants cited at most one piece of information that appeared on the long form but not on the short form. The majority of participants only cited information that appeared on the short form—implying that they did not believe the additional information on the long form was relevant to their decision.
- One of the model forms shown to participants provided information for multiple service plans. The majority of participants understood that the form was describing different service plans from which they could choose after they purchased the card. However, there were also a few participants that did not understand what the multiple service plan form was showing, and consequently were confused as to what fees they might be charged. Some participants were also confused as to which of the multiple service plans would apply upon activation of the card if they did not actively indicate a preference to the issuer.

The findings from this user testing have informed the CFPB’s proposed rulemaking for prepaid accounts, which will be published for public comment later in 2014. It is ICF’s understanding that the model forms that were developed and refined through the testing will be included with the proposed rules as examples for how fee information can most effectively be disclosed to consumers.

## Chapter I: Background

As discussed above, the EFTA establishes the rights, liabilities, and responsibilities of participants in electronic fund transfer (EFT) systems, with the primary objective of providing individual consumer rights. The EFTA is implemented in Regulation E (12 CFR part 1005) by the CFPB.

Prepaid products are one of the fastest growing payment instruments in the United States, and consumers are increasingly using these products as an alternative to traditional checking or demand-deposit accounts. Consumers may reload funds onto a card using cash, through direct deposit of their paychecks or government benefits, and can use their prepaid cards to withdraw funds at ATMs or to make purchases. However, prepaid products may not carry the same consumer protections given to checking accounts under federal law, because Regulation E has traditionally been interpreted not to apply to these accounts.

Given the growth in the market for prepaid card products and the potential risk for harm to consumers due to the lack of coverage under existing Federal regulations, the CFPB is considering how best to apply Regulation E to prepaid accounts. As part of this process, the CFPB will have to decide how information about the cost of these products—most notably fees that are charged for card use and other services—can most effectively be disclosed to consumers. One aspect of this decision will be to determine how fee information can best be disclosed to consumers on the packages of prepaid cards sold in retail stores. It is important that consumers have access to this information so that they can make informed acquisition decisions.

In September 2013, the CFPB contracted with ICF to assist it with the development and testing of these new fee disclosures for prepaid cards. ICF's work was completed in two phases. First, ICF conducted a series of exploratory focus groups with consumers to learn more about their experiences with and understanding of prepaid cards. In the second phase, ICF conducted three rounds of user testing of model forms developed by the CFPB. ICF worked with the CFPB to revise the forms between rounds to address any comprehension concerns that became apparent.<sup>2</sup>

It is ICF's understanding that the findings from this work have informed the CFPB's proposed disclosure regulations for prepaid accounts that will be published for public comment during the second half of 2014. The forms that were developed and refined through the testing were used as the basis for proposed model forms that are included with those proposed rules. This report details ICF's research methodology and outlines the key findings from each phase of the user testing.

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<sup>2</sup> The CFPB may also ask ICF to conduct additional rounds of testing on revised model forms after the agency receives public comments on its proposed regulations.



## Chapter II: Methodology

This user testing project consisted of a series of focus groups and in-depth interviews conducted with consumers from December 2013 through April 2014. A total of 69 consumers participated in these activities, which were held in four different cities across the country. While the CFPB had significant input into research design, ICF was primarily responsible for developing the interview protocol, recruiting participants, conducting the interviews, and analyzing the data.

The qualitative methods used in this study are effective at providing an in-depth understanding of complex phenomena, such as participants' experiences, preferences, and reactions to and understanding of the forms presented. For these reasons, ICF believes that these methodologies are well-suited to informing the design of disclosures like those being developed through this project. However, these methods are not suited to identifying effect sizes at standard levels of statistical significance, as would be required for measuring changes in behavior between different versions of model forms. In order to do so, one would need to conduct quantitative experimental research with many more participants—an approach that was not included in this study.

Throughout this report, findings are presented as exact numbers (*e.g.*, nine out of ten participants) when it is clear exactly how many participants acted in a very specific way or gave a specific answer to a question. However, that level of precision is not always possible given the complex nature of the phenomena being studied and because of the qualitative nature of the testing. Therefore, findings are sometimes reported as a proportion of the participants. For the purposes of this report, the following terms are used to describe different proportions:

- “Nearly all” is used when all of the participants responded in a particular way with very few exceptions.
- “Most” is used when more than half of the participants responded in a particular way, but fewer than nearly all of them.
- “Approximately half” refers to the range from slightly more to slightly less than half of the participants (*e.g.*, 1 participant more or less than half in a single round).
- “A few” is used when it is clear that only a few participants responded in a particular way (*e.g.*, two participants in a single round).

### Focus Groups

In order to explore consumers' understanding of, and behavior related to, prepaid cards, ICF conducted a series of four focus groups in Bethesda, Maryland on December 3 and 10, 2013. Each focus group was led by an experienced ICF moderator and lasted approximately 90 minutes. The topics addressed included participants' experiences with prepaid cards, behaviors related to shopping and account monitoring, understanding of, and attitudes toward, prepaid card fees, and understanding of liability and protection as they relate to prepaid accounts. Participants were also asked to review and comment on redacted sample disclosures of prepaid products sold in retail stores at that time.



## Interviews

Following the focus groups, ICF assisted the CFPB with the design of several model prepaid card disclosure forms that presented alternative ways of disclosing fee information to consumers. In order to explore the clarity and usefulness of these forms, ICF conducted three rounds of in-depth interviews with consumers. These interviews took place in Baltimore, Maryland (February 12 and 19, 2014); Los Angeles, California (March 19 and 20, 2014); and Kansas City, Missouri (April 9 and 10, 2014). Each interview was led by an experienced ICF interviewer and lasted approximately 60-75 minutes. In each round, consumers were asked background questions about their past experience with prepaid cards. They also reviewed several different versions of model prepaid disclosure forms, and were asked questions to assess their understanding of the information included on the forms. They were also asked to complete a variety of shopping simulations, in which they were shown forms for two different hypothetical prepaid products and asked to indicate which they would choose. A more specific description of the interview protocol and forms used for each round is provided in Chapters IV, V, and VI.

## Design of Model Forms

Throughout the project, the team that participated in design decisions included ICF staff and design experts and other representatives from the CFPB. The forms developed disclosed a variety of different fees, footnotes, and other text. Most of the forms designed and tested were “short forms,” which displayed only a subset of fees that could be charged. These short forms included “static” and “incidence-based” portions. By design, the static portion of each model short form disclosed the same fees across all products, while the incidence-based portion contained fees that could vary across products. Testing conformed to these principles, generally; whenever participants were asked to compare two forms, the static portions listed the same fees (although the amounts of the fees varied), while the incidence-based portions contained some similar fees and some dissimilar fees. The fee values and fee types (the type of service) included in the static and incidence-based portions of the short form were varied between different versions of the forms and across rounds of testing.

In Round 3, a comprehensive “long form” was also tested. Unlike the short forms, the long form included a longer list of all possible fees, rather than only a subset of fees.

Each of the forms was intended to describe a fee structure for a hypothetical prepaid product. The fee structures that were displayed were not intended to mirror those of any actual products on the market.

After each round, ICF participated in discussions with the CFPB about how the findings from that round could inform revisions to the content and design of the forms for the next round. The design team from CFPB led the development of the forms used in all three rounds.

## Recruitment of Research Participants

Focus group and interview participants were recruited by telephone using a structured screening instrument developed by ICF and the CFPB (Appendix A). Participation was limited to consumers who had not worked for a financial institution or a non-profit consumer rights group related to the banking or financial industries. A total of 40 consumers participated in the focus groups, and 29 consumers



participated in the three rounds of interviews. All participants self-identified as having used a prepaid card in the previous 6 months (for focus group participants) or 12 months (for interview participants). Several participants had payroll cards in addition to or in lieu of prepaid cards.<sup>3</sup> As shown in Table 1, participants in each round and at all locations varied in terms of gender, age, race/ethnicity, and education level. Consumers received a \$75 stipend for their participation.

**Table 1. Characteristics of Focus Group and Interview Participants**

	Focus Groups	Interviews			All Participants Combined (n=69)
	Bethesda, MD (n=40) <sup>4</sup>	Baltimore, MD (n=10)	Los Angeles, CA (n=10)	Kansas City, MO (n=9)	
<b>Gender</b>					
Male	19 (48%)	5 (50%)	5 (50%)	2 (22%)	31 (45%)
Female	21 (52%)	5 (50%)	5 (50%)	7 (78%)	38 (55%)
<b>Age</b>					
18-35	20 (50%)	3 (30%)	3 (30%)	3 (33%)	29 (42%)
36-50	11 (28%)	4 (40%)	4 (40%)	4 (44%)	23 (33%)
51+	9 (23%)	3 (30%)	3 (30%)	2 (22%)	17 (25%)
<b>Race/Ethnicity</b>					
African American	17 (43%)	4 (40%)	3 (30%)	3 (33%)	27 (39%)
Caucasian	17 (43%)	5 (50%)	3 (30%)	4 (44%)	29 (42%)
Hispanic	6 (15%)	2 (20%) <sup>5</sup>	4 (40%)	2 (22%)	14 (20%)
<b>Education Level</b>					
High School or Less	10 (25%)	2 (20%)	3 (30%)	2 (22%)	17 (25%)
Some College	12 (30%)	5 (50%)	4 (40%)	4 (44%)	25 (36%)
College Graduate	18 (45%)	3 (30%)	3 (30%)	3 (33%)	27 (39%)

<sup>3</sup> Based on the way that they described their use of prepaid cards, it seemed that a few of the participants in the first two focus groups may have had gift cards rather than reloadable prepaid cards. For the remaining focus groups and all rounds of interviews, the recruitment screener was revised to clarify the distinction between those two products and ensure that all participants were reloadable prepaid card users.

<sup>4</sup> Due to rounding, percentages may not add up to 100%.

<sup>5</sup> One participant self-identified as both African American and Hispanic.

## Chapter III: Findings from Focus Groups with Consumers

On December 3 and 10, 2013, ICF conducted a total of four focus groups with consumers in Bethesda, Maryland, a suburb of Washington, DC. All 40 focus group participants self-identified as having used a prepaid card in the previous six months. The purpose of the focus groups was to explore participants' experiences, attitudes, and behaviors related to prepaid cards. This chapter summarizes the key findings from these discussions.

### Participants' Experiences with Prepaid Cards

- When asked how they use their prepaid cards, participants most frequently indicated that they use their prepaid cards for general shopping purposes; for a range of specific purposes (*e.g.*, travel, school); to make online purchases; to pay bills; or to receive funds (*e.g.*, payroll, tax refund, disability benefits). Several participants said they had purchased a prepaid card as a personal budgeting tool (*e.g.*, to limit their own spending or to set aside "fun money"). A few participants used prepaid cards specifically to transfer money to other people.
- Most of the participants who reported using their cards to make purchases online or when traveling said they appreciate the security their prepaid cards offer. For example, one participant liked being able to make purchases without having to share her credit card information, and another uses a prepaid card when traveling abroad instead of carrying a large amount of cash.
- A few participants said that they own and use more than one prepaid card. Of these participants, approximately half use their cards for distinct purposes; for example, one participant uses one card for personal expenses and another for business expenses.

### Card Registration

- Most participants seemed clear on what it meant to "register" a prepaid card. Participants generally agreed that registering a prepaid card referred to linking their personal information to the account. A few participants in each focus group used the terms "register" and "activate" interchangeably; these participants typically had purchased their cards online or by phone, when activation and registration can happen at the same time. Participants who differentiated between the terms had varied ideas about what it meant to "activate" their card (*e.g.*, calling an automated phone number, something the cashier does at checkout), but they generally thought that, unlike registration, activating a card did not involve sharing any personal information.
- When asked what the advantage was to registering a prepaid card, participants generally agreed that it provided more security in the event of loss or fraudulent charges because they would be able to identify themselves as the owner of the funds. A few participants also noted that registration may be required in order to take advantage of particular card features (*e.g.*, signing up for account monitoring through text messages), or, in some cases, to use the card at all.

### Selecting a Prepaid Card

- When asked why they chose to purchase a particular prepaid card, participants gave a range of responses. By a wide margin, three factors were mentioned most often by participants. In order of frequency, these factors were (1) low fees; (2) convenience (*e.g.*, wide acceptance of a card at



stores or ATMs); and (3) advertising or brand recognition. Other factors that were mentioned (in approximate order of frequency) were:

- Ease of transferring money to other people (*e.g.*, those with the same prepaid card product)
- Special deals or rewards from a specific vendor (*e.g.*, earning “points” toward purchases)
- Recommendation from friends or family who used that particular product
- The speed at which funds become available
- Lack of overdraft program<sup>6</sup>
- Ability to maintain anonymity
- Ability to link the card to other accounts
- Level of access to account information
- Color of the card
- Most participants said that they typically do some research on prepaid cards prior to purchasing one. A few of these participants said they usually compared different prepaid products to determine which would work best for them; others indicated that they would seek out information on a particular card. Only a few participants said they would purchase a prepaid card without first doing any research on the product.
- When asked how they conducted their research, participants said that they generally obtained information online, through advertisements (either online, in a store, or on television), or by contacting the provider by phone to ask questions. Participants who searched online said they reviewed comparisons of the fees and features of different cards and/or read customer reviews of prepaid products.

## Prepaid Card Fees

- At one point in the session, each group was asked to brainstorm a list of any fees that they thought prepaid card companies might charge. Across all four groups, participants brainstormed a total of 18 different fees.

*Mentioned by all four groups:*

- Per purchase fee (*i.e.*, fee for making purchases)
- ATM withdrawal fee

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<sup>6</sup> Most participants said they specifically preferred prepaid products that did *not* offer an overdraft program. A few participants said that they had a prepaid card that allowed them to overdraw their account by a limited amount with no fee if they loaded additional funds within a few days. These participants said that they were unaware of that feature when they purchased the card, but that the feature was now one of the reasons they kept their card rather than purchasing a different one.

*Mentioned by three groups:*

- Cash Reload fee (*i.e.*, fee for reloading money onto the card)
- Monthly fee
- ATM balance inquiry fee

*Mentioned by two groups:*

- Inactivity fee
- Initial purchase fee (*i.e.*, fee for initial purchase of the card)
- Minimum balance fee
- Replacement card fee
- Overdraft program fee

*Mentioned by one group:*

- Fee for using the card more than a certain number of times per month
- Account setup fee
- Cash advance fee
- Card personalization fee
- Transfer money fee (*i.e.*, fee for transferring money)
- Theft/fraud protection fee
- Bill pay fee

- In three of the focus groups, participants were asked to identify the three fees from the list their group generated that would be the most important to them if they were choosing a new card. By a large margin, four fees were mentioned most frequently by participants. More than half of the participants indicated that the monthly fee, cash reload fee, and ATM withdrawal fee would be among the most important fees for them, while just under half said the same of the per purchase fee. No more than three participants identified any of the other fees on the list as among the most important.
- When asked when they learned about the fees associated with their prepaid accounts, approximately half of participants indicated that they learned about fees before purchasing their card. Most of these participants said that they found out about these fees online while searching for information about prepaid cards or a specific prepaid card product, while others said they learned about fees by reading a card's packaging. The other half of participants indicated that they learned about the fees associated with their accounts after purchasing their card. A few of these participants said they only learned about the presence of certain fees after they used the card and were charged those fees. Most of these participants said they thought that they could have learned about the fees earlier by going online or reading the materials provided with the card, but had not done so.
- Approximately half of the participants said at some point they had been surprised by a fee that they were charged by their prepaid card provider. When participants were asked what fees had

surprised them, they mentioned fees related to inactivity, “monthly maintenance,” balance inquiries, making purchases, using an out-of-network ATM, and reloading money. At the same time, however, nearly all of these participants also indicated that they were satisfied with the fee information they had been provided when they purchased the card. However, a few commented that if they had read all the information that they had been provided, they would have known about the presence of the fees earlier.

## Review of Sample Fee Disclosures

Prior to the focus groups, ICF prepared redacted versions of fee disclosures that appeared on the packages of three prepaid card products sold in retail stores at that time. These sample disclosures are provided in Appendix B to this report. In each focus group session, participants were shown two of these three sample disclosures and asked a series of questions about each. The sample disclosures were presented one at a time, and the order of presentation was rotated between groups.

- When participants were asked if they had any questions about the sample fee disclosures after reading them, the aspects of the disclosures that were mentioned most frequently were the following:
  - *Conditional fees*: Each of the sample disclosures had fees that would be charged under certain conditions but not others, and several participants commented that they did not understand in what situations the fees would be charged. For example, one disclosure indicated that there would be “no charge at retailers offering cash back with purchase.” A few participants were unsure whether this meant simply that these retailers would not charge a fee for getting cash back, or whether retailers that offered cash back would not charge any fees in connection with the prepaid account (e.g., for cash reloads, etc.).
  - *Fee ranges*: Some of the sample disclosures included situations in which a fee was provided as a range, rather than a specific amount. For example, one indicated that the fee for reloading money onto the card would be “\$4.95 or less” and did not provide any information about what might determine this fee. When asked what might cause this fee to vary, participants were unsure, and a few were concerned that they might not know what the fee would be when it was time to reload funds.
  - *Meaning of the phrase “qualifying purchase”*: One of the disclosures said that the monthly fee would be waived if the customer had “at least 30 qualifying purchases” and that “qualifying purchases include completed transactions where you are paying for goods or services with your card.” Several participants felt this definition was too vague and unclear, and that the provider could use “loopholes” to say that certain purchases did not qualify. One participant also said that the time period in which the purchases had to be made (*i.e.*, one “billing cycle”) was not clear.
  - *Meaning of the phrases “foreign transaction” and “foreign merchant”*: Two of the sample disclosures referred to foreign transactions or merchants. Some participants expressed confusion as to whether these terms referred to a transaction or merchant in a different country, or only outside of an established network (e.g., another state).
  - *Footnotes*: All three disclosures displayed fees in a tabular format and used footnotes to provide further explanations. A few participants appeared to be unfamiliar with the use



of footnotes, and therefore were unable to connect the information in the footnotes to the fees in the table.

- *Use of the word “may”*: All three sample disclosures stated that some fees or charges “may” apply. A few consumers interpreted this to mean that the provider itself did not know whether or not a fee would be charged in a particular situation, and found this difficult to understand.
- *Significance of third party fees*: Two of the sample disclosures showed \$0 for a particular fee but then noted that the consumer could be charged “third party” or “owner fees.” Several participants said it seemed contradictory to say the fee for a particular service was \$0 if the customer might in fact be charged other fees.
- The sample disclosures that were shown to participants did not show a complete list of all fees that could be charged; in all three cases there were other fees that did not appear in the disclosure that could be charged in certain situations. When reviewing the disclosures, most participants understood that other fees could be charged. In some cases this was because participants noticed text in the disclosures implying that this was the case (e.g., “here are some of the fees you are most likely to pay”). Other participants expressed a general mistrust of banks and assumed that prepaid card providers would find ways to charge “hidden fees” in order to generate revenue.
  - A few participants incorrectly thought that the sample disclosures did show all fees that could possibly be charged. One of these participants mentioned the large number of footnotes in one of the disclosures, and reasoned that because the disclosure included so much “fine print” it must include all the details about the product’s fee structure.

## Monitoring of Prepaid Accounts

- All participants said that they were satisfied with the access they have to account information for their current prepaid accounts. However, one participant commented that it was sometimes difficult to reach a live person by phone if she had questions about her account.
- Participants were asked how often they check the balance in their prepaid card account. While responses varied, the frequency with which participants check their balance was generally related to how frequently they use the card. Those who use their cards more often check their balance more frequently (e.g., every day or several times per week) and on a regular basis. Those who use their card less often tend to check their balance only when they make a transaction.
- When asked how they monitored their account balance and transaction history, participants were most likely to say they do so online. A few said that they access information about their account through text messages send by their card company, while fewer said they monitor their account by calling the provider. Only one participant said they monitor their account through paper statements received in the mail, but this person reported using other monitoring methods as well.
- Only a few of the participants had ever been charged a fee for accessing their account information. In all such cases, these participants were charged for getting customer service from

a live agent over the phone. Most said they were told in advance that they would be charged a fee for this service, and chose to continue with the inquiry.

- Most participants indicated that they receive periodic account statements by email or online. Fewer than half of these participants said they print or save the electronic statement.
- Only a few participants said they receive a paper periodic statement for their prepaid accounts. Even fewer participants indicated that they would find a paper statement useful; only one of the 40 participants said she would strongly prefer to receive a paper statement. No one said they would be willing to pay any money to receive a paper statement. In fact, a few participants specifically said that they did not want to receive paper statements, because they already receive too much paper in the mail and/or were concerned with security of having account information in paper form.

## **Liability and Protection**

- When asked what would happen if there were a fraudulent or inaccurate charge on their prepaid account, most participants believed that their prepaid card provider would credit the funds to their account. This belief seemed to be based almost exclusively on prior experiences with prepaid card providers and other financial institutions, rather than an understanding of any legal protections that may or may not exist. Several participants indicated that fraudulent or inaccurate charges had appeared on their prepaid accounts in the past, and all reported that the funds had been returned.
- Participants generally agreed that if a prepaid card had not been registered, the provider would not be obligated to credit funds from fraudulent or inaccurate charges to the account, because there was no way to prove who the account holder was.
- Nearly all participants said they had heard of FDIC deposit insurance, and most participants believed the funds on their prepaid cards were FDIC-insured. When asked to explain what it meant that their prepaid card had FDIC deposit insurance, most participants made vague references to their funds being “protected.” Upon further probing, the majority of participants incorrectly believed that FDIC deposit insurance would protect their funds in the event of fraudulent charges or a stolen card. Only a few participants understood that FDIC insurance protected their funds against the failure of the bank rather than fraudulent charges although some were confused because they did not believe that their prepaid card was issued by a bank.

## **Overdraft Programs**

- Most participants said they did not know whether their prepaid account offered an overdraft program, while others said that their account did offer such a program. Among participants who thought that their accounts did offer an overdraft program, a few recalled being asked if they wanted to opt into an overdraft program. Others believed they were registered in such a program but did not remember opting in.
- Most participants indicated that they would not want to have an overdraft program on their prepaid accounts. In fact, a few participants said one primary reason that they used a prepaid card was to prevent themselves from overspending and incurring overdraft fees. However, a few other participants were aware that their prepaid card allowed them to overdraw by a



limited amount without a fee as long as the funds were loaded within a few days. In general, these participants liked having that feature on their prepaid card.

After the focus groups were concluded, ICF and the CFPB met to discuss the results, and their implications for the Bureau's development of its prepaid rule in general and the design of an effective fee disclosure framework for retail packaging in particular. These discussions informed the development of a set of "short form" model forms that presented key information about the costs associated with prepaid card products. Chapters IV, V, and VI describe the results of ICF's testing of these forms.

## Chapter IV: Findings from the First Round of Consumer Interviews

Following the focus groups, ICF worked with the CFPB to design forms for prepaid card fee disclosures. ICF then conducted 10 hour-long in-depth interviews with consumers in Baltimore, Maryland on February 12 and 19, 2014. The purpose of the interviews was to assess how well participants could understand and use the content presented in the forms. This chapter describes the forms, the interview protocol, and findings from this first round of testing.

### Description of Forms Tested

All four forms designed for this round were short forms that showed only a subset of the fees that would apply to a particular product, rather than all fees that could possibly be charged. Each form listed the names of several fees and the amount of each fee, presented in a tabular format. The fees included a set of static fees that appeared on all the forms (*i.e.*, monthly, cash reload, ATM withdrawal, and per purchase fees<sup>7</sup>) as well as incidence-based fees (which varied between different versions of each form).<sup>8</sup> The table of fees also included a sentence that said “We charge other fees not listed here. See the enclosed account agreement or visit [www.abcprepaid.com/fees](http://www.abcprepaid.com/fees) for details.” Below the table of fees were several pieces of explanatory text and footnotes related to the fees, a warning that account funds were not protected until the card was registered, and instructions for accessing general information about prepaid cards through the CFPB website.

The four designs are provided in Appendix C, and differed as follows:

- **Form 1** presented the fees in a simple table. There was not any formatting to highlight specific fees or organize them in any particular way.
- **Form 2** grouped the fees in the table into labeled categories (*e.g.*, “make purchases,” “get information”). These category labels were in bold print, and were included to see if they improved participants’ comprehension of the forms.
- **Form 3** prominently displayed the four most important fees—the monthly, cash reload, ATM withdrawal, and per purchase fees—in larger, bold print across the top of the form. Throughout the rest of this report, this format is referred to as the “top-line” format.
- **Form 4** was identical to Form 3 in format, except that Form 4 also included graphics next to each of the top-line fees. Each graphic showed how one of the top-line fees hypothetically compared to the maximum and minimum fees for other cards on the market. Form 4 also included a sentence explaining these graphics that said, “The graphics show how this card’s fees compare to the ranges of fees charged by other cards for the same services.” This design was included to

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<sup>7</sup> The per purchase fee—that is, the fee that consumers would be charged for making a purchase—was referred to on the forms in Round 1 as a “purchase fee.” For Rounds 2 and 3 the forms used the term “per purchase fee,” to distinguish this fee from the cost of buying the prepaid card itself.

<sup>8</sup> The most important fees were identified by the CFPB based on previous research, including the findings from the focus groups conducted as a part of this project that are discussed above.

give participants information about how the top-line fees compared to the range of fees other product might charge for the same service.

For Forms 1 through 3, two different versions were created (A and B) that showed hypothetical fee structures for two different products.

## Description of Interview Protocol

The interviews followed a semi-structured protocol developed by ICF and the CFPB. Each interview began with a brief introductory discussion of the participant's prior experience with prepaid cards. Participants were then asked to imagine that they were in a store to purchase a prepaid card, and were comparing two different products. They were shown two versions of the same type of form (e.g., Forms 1A and 1B) and asked to indicate which one they would choose and why. They were then asked a series of questions to test their understanding of the information on the form. This process was repeated for Forms 1, 2, and 3; the order of presentation was rotated between participants. Participants were then shown Form 4 and asked a series of questions to assess the extent to which the fee graphics were useful and clear. In the final portion of the interview, participants were asked to select which design they found most helpful and easy to understand, and to explain their reasoning.

## Key Findings

### General Understanding of and Reaction to the Forms

- Across all forms, nearly all of the participants were able to correctly identify the monthly fee they would be charged, as well as the fees they would be charged for online bill pay, live agent customer service, inactivity, and reloading money onto the card.
- When asked if there was any additional information they felt should be included on the forms, eight participants either said that the forms contained all the information they would need, or were satisfied that they could access additional fee information if necessary by going to the product's website. The remaining two participants commented that the forms only showed some of the product fees, and said that they would prefer to have access to all of the fees in the store. One of these two suggested that this information did not have to be on the package itself, but could instead be available on a sign in the store. Understanding of Potential Variance in Fees

### Understanding of Potential Variance in Fees

Several of the fees listed on the forms could vary under certain circumstances. In this first round of testing, this potential variation was disclosed in two ways. For ATM withdrawal and per purchase fees, two different fee amounts were shown, separated by a forward slash to indicate that the fee could be either of these amounts.<sup>9</sup> For monthly and cash reload fees, the fee amounts each included asterisks linking to footnotes explaining in what situations these fees would vary.

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<sup>9</sup> In the case of the ATM withdrawal fee, the two amounts corresponded to the fees that would be charged at in-network and out-of-network ATMs. In the case of the per purchase fee, the two amounts corresponded to the fees that would be charged if the consumer made a purchase using a PIN or with a signature.

#### *Two Fees Listed (ATM Withdrawal and Per Purchase Fees)*

- When asked to explain what might cause ATM withdrawal fees to vary, most participants correctly indicated that the fees would be different for “in-network” and “out-of-network” ATMs. Most participants were able to explain the distinction between these two categories of ATMs, although a few participants mistakenly thought this distinction was based on where the ATM was located (e.g., in a bank or gas station), rather than which networks could be accessed at a particular ATM.
- When asked why per purchase fees might vary, only about half of participants were able to explain that fees would be different depending on whether the purchases were made using a signature or a PIN. Two participants saw this distinction on the form, but did not understand what “with signature” or “with PIN” meant. Two others also saw the distinction between the two fees, but indicated that there would be no way to know which of the two fee amounts you would be charged for any given purchase. One participant did not appear to see the distinction between the two fees at all, and indicated that the per purchase fee would never vary.
- Overall, approximately half of the participants correctly interpreted the meaning of the slash, and understood that the fee charged would be one of the two amounts shown depending on the circumstance. The other participants either mistakenly believed that the fee could fall anywhere in the range between the two amounts shown, or identified the fee as only one of the two amounts shown. Participants’ interpretation of the slashes did not seem to vary systematically by form version.

#### *Use of Fee-Specific Asterisks (Monthly and Cash Reload Fees)*

- The monthly fee included an asterisk with footnote text that said it would be “\$0 if at least \$1,000 loaded onto card or 10 purchases made in that month.” All but one of the participants saw the monthly fee, but only about half of the participants located the footnote and understood that the monthly fee could be less. The remaining participants did not appear to notice the footnote.
- The cash reload fee included a double asterisk (“\*\*”) next to it and the words “or less.” The footnote text said that it would be “\$0 if loaded at certain locations.” While all participants correctly identified the cash reload fee that would generally be charged, again only about half located the footnote and understood the circumstances under which the cash reload fee would be less. In fact, at least three of the participants mistakenly said that the cash reload fee would be \$0 if at least \$1,000 was loaded onto card or 10 purchases were made in a given month, because they mistakenly applied the footnote for the monthly fee to the cash reload fee.

#### *Interpretation of Fees Not Listed*

- As noted above, each form included the following text: “We charge other fees not listed here. See the enclosed account agreement or visit [www.abcprepaid.com/fees](http://www.abcprepaid.com/fees) for details.” When consumers were asked if they could be charged any fees other than those listed on the form, eight of 10 understood that they could. Most of these participants specifically referenced the relevant text on the form in their response; for others, their answer seemed to be based on a belief that, in their experience, prepaid card products were often subject to “hidden fees.”

- Notably, all participants who reviewed Form 1 referenced the text “we charge other fees not listed here,” compared to only about half of participants reviewing Forms 2 and 3. This might have been due to the design of the forms: the relevant sentence was the only text in bold print on Form 1, whereas Forms 2 and 3 included other text in bold print as well.
- Participants were also asked about specific fees that were not shown on the short forms used for testing.
  - When asked whether they thought they would be charged a fee for having funds directly deposited onto their card, most participants indicated that while they did not think it was likely that they would be, it was possible because the form indicated that “other fees” might be charged.
  - In contrast, when asked whether they thought they would be charged a fee for getting cash back at a store, most participants assumed they *would* be charged such a fee. When asked to explain their response, most of these participants said they would be charged the “purchase with PIN” fee or “ATM withdrawal” fee if they got cash back.
  - While neither direct deposit nor cash back fees were listed on the form, participants’ responses seemed to be based on their past experiences and their assumptions about how likely card providers would be to charge fees for these services, rather than on particular information included on the form itself.

#### [Availability of Additional Information](#)

- As mentioned above, the forms used in testing included the statement, “See the enclosed account agreement or visit [www.abcprepaid.com/fees](http://www.abcprepaid.com/fees) for details.” Eight of the participants were asked how they could get additional information about the fees for that card. Three of these eight participants clearly saw the statement on the form about how to get more information; they pointed out this information and indicated that they would go to the [www.abcprepaid.com](http://www.abcprepaid.com) website for more information. One participant did not appear to notice this statement, and said that a consumer had to register the card to get any information. It was unclear whether the other four participants saw the statement on the form. These participants said they would either go online or call the company to get full fee information, despite the fact that the forms made no mention of a phone number.
- The forms also included the following sentence: “For more information about prepaid cards contact the Consumer Financial Protection Bureau at [consumerfinance.gov/prepays](http://consumerfinance.gov/prepays).<sup>10</sup>” However, when asked what they would do if they wanted more general information about prepaid cards, only two participants specifically mentioned the CFPB website. Others commented that they could go to the provider’s website, conduct a general search for information online (*e.g.*, to find customer reviews for the card), or call the company to talk to a live agent.

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<sup>10</sup> While the forms did not explicitly state this, [www.consumerfinance.gov](http://www.consumerfinance.gov) is the website of the CFPB.

- When asked how likely they would be to seek out additional information about prepaid cards, only three participants said they would be likely to do so. The remaining participants did not believe that accessing general information about prepaid cards was worth the effort.

### Understanding of Funds Protection

- Below the table of fees and the footnotes on each form was the sentence, “Your money is not protected against unauthorized transactions until you register this card.” After reviewing one of the forms, participants were told to imagine that a purchase they did not make was charged to their account, and asked if that money would be refunded to their account. Eight participants said that their funds would be protected. However, it is not clear if these responses were based on the text or participants’ assumptions; only two participants referenced that text when explaining their answer.
  - When specifically asked to read the sentence about funds protection and explain what it meant, six participants understood it meant that they had to take action in order to protect the money in their account. The remaining participants did not read the sentence carefully and mistakenly believed that it meant that their funds would not be protected in any situation.
  - All but one of the participants understood that registering the card meant linking personal information (*e.g.*, name, address, social security number) to the account.

### Shopping Simulations

- Across all forms, when asked to review two different forms representing different prepaid cards and to select the one that they would purchase for their own use, participants were able to make a selection without difficulty. When asked to explain why they chose a particular card, approximately half of participants said that they made their choice based on a single fee (*e.g.*, if they were most concerned about the monthly fee, they selected the product with the lower monthly fee). A few participants made more complex comparisons, factoring multiple fees into their decision. Participants were generally able to determine which fees were higher for each product, state which fees would be most important to them, and make a selection based on that information.<sup>11</sup>
- During the shopping exercise with Forms 1, 2, and 3, participants were asked if they were satisfied with the form they selected, or if they would continue shopping at another store (given the chance). Overall, most participants said the fee differences were too small to be worth the effort to continue shopping.

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<sup>11</sup> The researchers did not attempt to determine whether each participant made the “correct” selection between the two prototypes, because this would have required more detailed information about each participant’s prepaid card usage patterns. Variations between the fee structures of the two prototypes shown to participants were fairly small, in order to make the task more cognitively challenging.

## Graphic Fee Scales

- As noted above, Form 4 included graphics next to each of the four top-line fees that showed how that fee amount compared to a hypothetical range of fees of other prepaid cards on the market. Participant understanding of these graphics was very low—only one of the 10 participants understood what the graphics were trying to communicate without any additional prompting from the moderator. Two more participants understood these graphics after the moderator specifically prompted them to read the explanatory text provided on the form.
  - Even though the graphics showed that the fee amounts for this particular card were average or above average relative to other cards on the market, only one of the three participants indicated that it made them more likely to look for less expensive options. Another of the three specifically stated that the graphics were distracting and felt that they should not be included.
- Among the seven participants who did not understand the graphics, most participants incorrectly believed that each represented the range that they could be charged for a particular fee for that particular card.

## Consumer Preferences between Form Versions

- Participants were asked to focus on the format of Forms 1, 2 and 3, and to select the one that would best help consumers understand the fees associated with the card. Eight of the 10 participants selected Form 3. Several participants commented that the most important fees were easy to find in Form 3 because they were on top, large, and in bold print (in the top-line format). Of the other two participants, one preferred Form 2 because she liked the fact that fees were grouped into categories. The other participant preferred Form 1, but did not provide a reason for this selection.

## Implications for Subsequent Design

Based on the findings from the first round of interviews, ICF and CFPB made several changes to the forms:

- Because very few participants understood the fee graphics, they were not included on any of the disclosures tested in subsequent rounds.
- Because none of the forms tested in this round demonstrated significant weaknesses, both the top-line (Form 3) and category (Form 2) formats were tested again in Round 2.
- Because there was some confusion related to using footnotes during the focus groups and this first round of testing, the CFPB decided to test in Round 2 whether using a single general footnote that applied to multiple fees might be more effective than multiple fee-specific footnotes.
- Because about half of participants misinterpreted a slash between two fee amounts to indicate that the fee would fall in a range between those two amounts, slashes were not used on any of the forms tested in subsequent rounds. Instead, in situations where two different fee amounts

might be charged, these amounts were either listed on two separate lines or were separated by the word “or.”

- Because four of the 10 participants did not read the funds protection statement carefully when reviewing the form and misinterpreted its meaning, this statement was reworded so that the beginning of the sentence emphasized the action consumers were supposed to take: “Until you register this card, your money is not protected.”

After being revised based on these findings and other considerations, the forms were then tested through a second round of interviews, the results of which are described in the next chapter.

## Chapter V: Findings from the Second Round of Consumer Interviews

After the conclusion of Round 1, ICF worked with CFPB to discuss how the findings from the first round of testing could be used to inform the development of forms for the second round of testing. Design experts from the CFPB then developed forms that were tested in a second round of interviews. Round 2 consisted of ten one-hour-long in-depth interviews with consumers in Los Angeles, California on March 18 and 19, 2014. Again, the goal of these interviews was to assess the clarity and usability of the revised forms.

### Description of Forms Tested

As in Round 1, four different forms were designed, all of which were short forms displaying a subset of fees, including static fees that appeared on each form and incidence-based fees that varied between different versions of each form. The content of the forms for Round 2, including the fees that were listed and other explanatory text, was similar to Round 1, except as noted below. The four designs are provided in Appendix C and differed as follows:

- **Form 1** used the same top-line format as Form 3 from Round 1, in that it prominently displayed four fees (*i.e.*, monthly, cash reload, per purchase, and ATM withdrawal fees) across the top of the form in larger bold print. Form 1 showed two separate per purchase fees (one for purchases “with signature” and the other for purchases “with PIN”) and for ATM withdrawals (for “in-network” and “out-of-network” withdrawals). For the monthly and cash reload fees, Form 1 used asterisks to direct readers to fee-specific information about situations in which the fees might be lower than the amounts shown.
- **Form 2** was the same as Form 1, except that:
  - a) Rather than listing two separate per purchase fees and ATM withdrawal fees, Form 2 showed the more expensive of the two fees and used an asterisk to direct readers to the same footnote that stated that “fees can be less depending on usage.”
  - b) Like Form 1, Form 2 included asterisks next to the monthly and cash reload fees. However, in Form 1 the asterisks directed readers to multiple footnotes providing information about the circumstances under which each specific fee could be lower. In Form 2 a single asterisk was used to direct readers to a single footnote with more general text stating that these fees “can be less depending on usage.”
- **Form 3** described three different service plans for the same product, labeled “pay as you go,” “monthly plan,” and “annual plan.” The form listed the periodic plan fee and per purchase fee for each of these three plans at the top, followed by a list of other fees that applied to all plans.
- **Form 5<sup>12</sup>** included exactly the same information as Form 2. However, rather than listing four fees across the top of the form and the others in a list below that top line, Form 5 placed all fees

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<sup>12</sup> The forms tested in this round are not numbered consecutively because “Form 4” was an internal version that was not used in the consumer interviews.

into a single list and grouped them into categories using headings. This format was very similar to that used in Form 2 of Round 1.

Unlike the forms used in Round 1, those tested in Round 2 also included text below the fee box related to whether or not the card offered an overdraft program. For Forms 1, 2, and 5, two different versions were created (A and B). These versions were identical, except for text at the bottom of the form indicating whether or not the product offered an overdraft program—version A offered such a program, while version B did not.

## Description of Interview Protocol

As in Round 1, interviews in Round 2 were guided by a semi-structured interview protocol developed by ICF and CFPB. Each interview began with a brief introductory discussion of the participant's prior experience with prepaid cards. Participants were then asked to imagine that they were in a store to purchase a prepaid card and were looking at a package that included a form with information about the product's fees. The interviewer then handed the participant one of three different forms (1, 2, or 5). After giving the participant a short period of time to review the form, the interviewer then asked a series of questions to test his or her understanding of the information provided. This process was repeated for the other two forms.<sup>13</sup>

In the next segment of the interview, participants were again asked to imagine that they were in a store to purchase a prepaid card, but that this time they were comparing two different products. They were given Forms 2A and 3A, and asked to indicate which one they would choose and why. They were then asked a series of questions about Form 3A to test their understanding of the different service plans it described.

Finally, participants were asked to read a paragraph of text titled “Information About Your Right to Dispute Errors.” They were then asked to describe in their own words what the paragraph was saying, in order to test their comprehension of the content.

## Key Findings

### General Understanding of and Reaction to the Forms

- When asked to identify the amount charged for specific fees that appeared on the form, in nearly all cases participants were able to do so easily and quickly.<sup>14</sup> In isolated cases a participant did not see a particular fee on the form, but these cases were infrequent and there did not seem to be any pattern to them—for example, they did not vary systematically by form type or by fee.

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<sup>13</sup> As in Round 1, the order in which the participant was given Forms 1, 2, and 5 to review was rotated between interviews. Forms were also rotated between the A and B versions, ensuring that all participants saw both an A and a B version. For example, one participant might have been shown 5A, 1B, and 2A in that order; another might have been shown 2A, 5B, and 1A.

<sup>14</sup> At various points in the interview participants were asked to identify the following fees: monthly, reload, purchase, ATM withdrawal, live agent customer service by phone, ATM balance inquiry, and online bill pay.

- When asked if there was any additional information that should be included on the forms, about half of the participants said they wanted more details about the “other fees” that could be charged. About half also said the forms should include a more detailed description of the situations in which the fees could be less than the amount shown (in reference to the general footnote). Two participants said the company’s phone number should be included in addition to the website.

### *Understanding of Potential Variance in Fees*

Several of the fees listed on the form could vary based on the situation. The forms disclosed this variation in three different ways: (a) listing multiple distinct fees, along with a short description of when that fee would be charged; (b) using fee-specific asterisks to provide information about variations in individual fees; and (c) using an asterisk to link several fees to the same general footnote stating that fees “could be less depending on usage.”

#### *Two Fees Listed (ATM Withdrawal and Per Purchase Fees)*

- Form 1 displayed two different fees for ATM withdrawals, corresponding to withdrawals from in-network and out-of-network ATMs. When looking at this form, nine of the ten participants understood that there were two possible fees that they could be charged. Of these nine, six clearly understood the distinction between “in-network” and “out-of-network” withdrawals. The other three did not seem to understand this distinction; for example, one did not understand why an ATM would be part of a “network.”
- Form 1 also displayed two different per purchase fees—one for purchase with a signature and another for purchase with a PIN. Nine of the ten participants understood that there were two possible fees that they could be charged for making purchases. Of these nine, all but one clearly understood the distinction between making a purchase “with signature” versus “with PIN,” although several expressed surprise that the fees for doing so would be different.

#### *Use of Fee-Specific Asterisks*

- The monthly fee on Form 1 was \$4.95, but included an asterisk indicating that the fee would be “\$0 if at least \$1,000 loaded onto card or 30 purchases made in that month.” When asked whether the fee might ever be lower than the amount shown on the form, five of the ten participants referenced this asterisk and correctly described the circumstances under which no monthly fee would be charged. The other five participants did not mention the asterisk or did not recognize that the monthly fee could be waived.
- The fee for cash reloads listed on Form 1 included a double asterisk (\*\*) indicating that the fee could be “\$0 if loaded at certain locations.” When asked whether the fee for loading money onto the card could be less than the amount shown, six of the ten participants referenced the asterisk text. Three of the participants did not comment on the asterisk next to the cash reload fee at all; the other participants incorrectly applied the asterisk associated with the monthly fee to the cash reload fee.

#### *Use of a Single General Asterisk Applicable to Multiple Fees*

- On Forms 2 and 5, several of the fees included an asterisk referencing the same footnote that those fees “can be less depending on usage.” When asked to explain whether or not one of these fees could be different from the amount shown on the form, participants referenced the



asterisks slightly more than two thirds of the time.<sup>15</sup> In the remainder of cases the participant did not mention the asterisk or the fact that fees could vary based on usage when answering the question. There was no systematic evidence that participants found Form 2 any more or less difficult to understand than Form 5, and participants were no more or less likely to answer questions correctly when looking at either one of these forms.

- Forms 2 and 5 noted that fees “can be less depending on usage,” but did not specify in what circumstances they could be less. Participants were asked in what situations they thought the fees might vary, to assess what assumptions they might make when interpreting these labels without additional information. The most common response given by participants was that the fees might be lower depending on how often they used their card, or the amount of money involved in their transactions. For example, most participants said that the asterisk next to the fee for ATM withdrawals might mean that the fee would be lower if they had more withdrawals per month, or if they withdrew more money. A few participants proposed other hypotheses for why the fees might vary; for example, one participant interpreted the asterisk next to the per purchase fee to mean that the fee might depend on what they bought with the card.
- Four of the ten participants commented at some point during the interview that they felt the statement that “fees could be less depending on usage” did not provide enough information. They suggested that more specific information be provided on the forms about the conditions under which fees would be different from the amounts shown. However, it was difficult to determine the extent to which these participants’ requests for more information were an artifact of the testing environment—that is, whether they would have wanted more information had they not been asked to answer specific questions about the fees on the label.

#### Interpretation of Fees Not Listed

- When reviewing Form 1, participants were asked if they might be charged a fee for a replacement card. This fee was not listed on any version of Form 1. Eight of the 10 participants indicated that it was still possible they would be charged this fee even though it was not listed, and cited the text on the form that said “we charge other fees not listed here.” The other two participants assumed that because no card replacement fee appeared on Form 1, the product did not offer that service.

#### Availability of Additional Information

- Like the forms in Round 1, the forms in this round included two references to websites; they noted that (1) consumers could visit [www.abcprepaid.com/fees](http://www.abcprepaid.com/fees) for more details about the product’s fees; and (2) consumers could go to [consumerfinance.gov/prepays](http://consumerfinance.gov/prepays) “for more info about prepaid cards.” When asked where they could go online to get more information about fees for a particular prepaid card product, all participants referenced one of the websites on the form. However, there was some confusion as to the distinction between the two websites shown; half of the participants said they would go to the [www.abcprepaid.com](http://www.abcprepaid.com) website to learn

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<sup>15</sup> Some participants seemed to notice the asterisks when asked about some fees, but not to notice them in other contexts. There was no apparent pattern as to when participants were most likely to notice the asterisks.

about fees for that specific product, while the other half said they would go to the *consumerfinance.gov* website.

- All ten participants said that they had a smartphone on which they could access the internet. When asked whether they would access a website on their phone while they were in the store to learn more about product fees, seven of the ten participants said they would be very likely to do so. Of the other three participants, one said he might go to the website but was not sure, one said she would call with questions about fees rather than go online, and the third said he would probably not take the time to research fees online while in the store.

### Understanding of Funds Protection

- The forms included a sentence stating, “Until you register your card, your money is not protected.” However, it seemed that most participants did not notice this text. When asked if there were any benefits to registering a prepaid card, only four of the ten participants commented that registration was necessary to protect their funds, or made any reference to the relevant sentence on the form.
- When specifically asked by the interviewer to read the sentence about funds protection, participants seemed to understand the information slightly better than they had in Round 1. Eight of the ten participants understood that it meant that they had to register their card to protect their money against fraudulent purchases or identity theft. The other two participants mistakenly thought that the sentence meant that their funds would never be protected against these threats.
- At the end of the interview, participants were shown a model clause on error resolution titled “Information about Your Right to Dispute Errors,” and asked to imagine that the paragraph appeared in the terms and conditions for their prepaid card account. They were asked to read the text, and then to explain what it meant in their own words. Comprehension of the paragraph was very high; all ten participants understood that it meant that the prepaid card company would not help them resolve account errors unless their account was registered. Three participants did express some confusion as to what would happen if they called to report an error for an unregistered account. These participants were unsure whether or not the company would give them the opportunity to register at the time they called to resolve an error, or would simply refuse to help them if they had not already registered the card.

### Multiple Service Plan Form

- Participants were asked to imagine that they were in a store to purchase a prepaid card, and were trying to select between two different products. Participants were told that the packages for the two products they were considering each had a form on them giving information about fees. Participants were given Forms 2A and 3A and asked to imagine that these were the forms on the packages they were comparing. Form 2A described a single service plan, while Form 3A described three different service plans. After reviewing the forms for 2 to 3 minutes, seven of the participants understood that the product described by Form 3A offered multiple service plans; the other three participants were confused by the information on the form and did not understand that multiple service plans were offered.

- Of the three plans listed on Form 3A, participants seemed to find the information in the “pay as you go” column the most confusing. For example, one participant did not realize that the “pay as you go” option was distinct from the monthly and annual plans, and mistakenly thought that the \$2 per purchase fee in that column would be charged under those other plans as well. Another thought that the “pay as you go” option would apply if a person did not register his or her card, and upon registration the cardholder would select either the monthly or annual plan.
- The forms were constructed so that the monthly plan for Form 3A offered lower fees than Form 2A—in other words, based on fees alone the rational choice for a consumer would always be to select Form 3A over 2A. Seven of the ten participants did indicate that they would choose Form 3A over 2A after comparing the two. The other three participants said that they would choose Form 2A. Two of the three did not understand the fee information on Form 3A, and therefore incorrectly thought that the fees described by Form 2A were lower. The third participant said that she would choose Form 2A because she found the information on Form 3A too confusing.
- Nine of the ten participants were able to correctly identify the fee they would pay for making a purchase under the “pay as you go” option. Seven of the ten participants were able to correctly identify the fee they would pay for making a withdrawal at an ATM. The other three participants did not realize that any ATM withdrawal fee would be charged under the “pay as you go” option, because this fee appeared in a separate list of fees for “all plans.”
- Participants were asked which of the three service plans described on Form 3A they thought would apply if they purchased the card and did not communicate any preference to the company.<sup>16</sup> Five said that they thought the “pay as you go” service plan would apply, while two thought that the monthly plan would apply. One indicated that she did not know which plan would apply, and two said that the company would know which service plan the consumer wanted based on how much the consumer loaded onto the card at the time of purchase.<sup>17</sup>

### Consumer Preferences between Form Versions

- Five of the participants were asked whether they thought Form 2 (which included “top-line” fees) or Form 5 (which grouped fees into categories) would be clearer for prepaid card customers. All five indicated that they preferred Form 2 because the fees at the top were printed in large bold font.

### Overdraft Program

- At different points in the interview, each participant was shown both a form that indicated at the bottom that the card did not offer an overdraft program, and another form that indicated that the card charged an overdraft fee of \$15 per transaction (implying that it did offer such a program). All participants noticed this text on both versions, and in all cases were able to correctly identify whether or not the card offered an overdraft program.

<sup>16</sup> The forms did not give any indication as to which of the plans would apply in this situation.

<sup>17</sup> These two participants seemed to think that the amount that they loaded onto the card would in some way dictate which plan applied; it was unclear from their responses exactly why they felt this way.

- When reviewing forms for cards that did offer an overdraft program, all participants were able to correctly identify the fee that they would be charged if they overdraw their account (*i.e.*, \$15). This version of the form also stated that the cardholder's overdraft fees "could total up to \$60 per month." Most participants understood this statement to mean that they would be allowed to overdraw their account up to four times per month (paying a fee of \$15 each time), but that any subsequent transactions for more money than they had in their account would be denied because of the \$60 fee limit. However, two participants instead thought that after their fourth overdraft in a month, subsequent overdrafts would be allowed and they would not be charged a fee.
- Six of the ten participants assumed that the overdraft program described on the form would automatically apply to their account as soon as they purchased the card.<sup>18</sup> Three participants assumed that the program would not automatically apply; one thought the customer would have to opt into the program, one thought consumers would have to have the account for a certain period of time before they qualified for the program, and the third thought that the consumer would have to first link another source of funds to their prepaid card.<sup>19</sup> The tenth participant did not know whether or not the overdraft program would automatically apply at card purchase.
- Seven of the ten participants said that they would not want their prepaid card to offer an overdraft program. However, when the interviewer described a hypothetical program in which customers could pay an annual subscription fee for the year and then overdraft an unlimited number of times without being charged any additional fees, seven participants said they would consider signing up for such a program.

## Implications for Subsequent Design

Several of the findings from the second round of user testing were used by ICF and the CFPB to inform decisions related to form design:

- The top-line format (represented by Form 3 in the first round and Form 2 in the second round) was strongly preferred by participants in the first two rounds. Several participants in both rounds specifically commented that they liked the fact that it was easy to see the most important fees because they were shown at the top in large and bold print. Therefore, this top-line format was used in all the short forms that were developed for Round 3.
- When reviewing Form 1 nearly half of participants did not notice the detailed footnote text about how fees could vary and at least one participant confused the footnotes for different fees. Therefore, all forms tested in Round 3 used the approach of using a single, more general footnote to indicate that fees could vary (modeled in Forms 2 and 5 of this round). However, because several participants commented that the general footnote used in Forms 2 and 5 that

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<sup>18</sup> The form did not indicate whether or not this program would automatically apply; this question was asked to assess participants' assumptions.

<sup>19</sup> This participant appeared to assume that in order to cover overdrafts, the prepaid card company would not use its own funds but would instead pull funds from the consumer's linked account.

the fees shown could be less “depending on usage” was not specific enough, the wording of this text was revised for Round 3 to be “depending on how and where this card is used.”

- In the top line of fees, Form 1 explicitly listed two distinct fees for purchases (with signature vs. with PIN) and ATM withdrawals (in- vs. out-of-network). These format changes were very effective. Unlike in Round 1, almost all participants understood that these were distinct fees that could be charged in different situations, and did not mistakenly interpret them as fee ranges. Therefore, all versions of the forms tested in Round 3 used this approach.
- While comprehension of the funds protection sentence was improved in this round compared to Round 1, most participants did not initially notice the sentence and two participants still thought, even after reading the text, that their funds would *not* be protected under any circumstances. Therefore the wording of the sentence was simplified and made more direct and “action-oriented” in the hopes that more participants would notice it: “Register your card to protect your money.”
- In the multiple service plan form (Form 3), at least one person mistakenly thought that a list of fees applied only to the annual plan, because they lined up vertically with that column heading. In order to avoid that misconception in Round 3, the column of fees for all plans was moved slightly so that it no longer lined up vertically with the column of fees under the “annual plan” heading.
- Because several participants mentioned that they would want to call the card issuer to ask questions about their fees, all forms in the third round included information about how consumers could phone or text to get more fee information, as well as a website.

After the second round of testing, the forms were revised based on the findings. The CFPB also published prototype forms on its blog, and received additional input that was incorporated into the design of revised forms.<sup>20</sup> These new forms were tested through a third round of consumer interviews, the results of which are presented in the next chapter.

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<sup>20</sup> The CFPB’s blog post can be found at <http://www.consumerfinance.gov/blog/prepaid-cards-help-design-a-new-disclosure/>.



## Chapter VI: Findings from the Third Round of Consumer Interviews

Following the second round of user testing, ICF and the CFPB redesigned the forms in preparation for the third round of testing with consumers. These revised forms were tested with consumers in Kansas City, Missouri on April 9 and 10, 2014. ICF conducted nine hour-long in-depth interviews with consumers to understand their comprehension of the content of the redesigned forms, and how well could identify specific information in each of the forms. This chapter describes the forms, protocol, and findings from this round of user testing.

### Description of Forms Tested

As with previous rounds, four form designs were tested in Round 3. Three of these designs were short forms that included only a subset of fees, with the static fees appearing on all forms and the incidence-based fees that varied between different versions of each form. The content and format of these forms were similar to the versions used in the previous two rounds that included top-line fees (*i.e.*, Form 3 in Round 1 and Form 1 in Round 2). There was also one long form design, which was meant to include all fees for a hypothetical prepaid card product. The four designs are included in Appendix C, and differed as follows:

- **Form 1** was used for the comprehension portion of the interview. It prominently displayed the top-line fees (*i.e.*, monthly, cash reload, per purchase, and ATM withdrawal fees) at the top of the form. Below the top-line fees was a table that listed five additional static fees (*i.e.*, ATM balance inquiry, live agent phone service, inactivity, overdraft program, and online bill pay service). Below those fees, each form listed two of five incidence-based fees: check refund, replacement card, bank teller withdrawal, and/or ATM or purchase decline. A gray bar with the text “The fees below generate significant revenue for this company” separated the static fees from the incidence-based fees. Below the table of fees were several pieces of explanatory text related to the prepaid card. Like forms from previous rounds, Form 1 included a statement indicating that there were additional fees that were not shown. Unlike previous rounds, however, Form 1 stated the specific number of other fees that were charged: “We charge [X] other fees not listed here.” On different versions of the forms in this round, the number of other fees ranged from 6 to 11.
- **Form 3<sup>21</sup>** was very similar to Form 3 from Round 2, in that it described three different service plans for the same product, again labeled as “pay as you go,” “monthly plan,” and “annual plan.” Below that, it listed several fees and their amounts in a column that it said “applies to all plans.” Below the fees was the same explanatory text as Form 1.
- **Forms 4 through 7** were shown to participants during comparison shopping simulations. Unlike forms used in previous rounds, they were not provided as separate documents, but were presented on the backs of prepaid card package prototypes. These forms were identical to Form 1 in format and content, except that instead of directing participants to look online, call, or text for more fee information, they indicated that participants could get details and conditions for all

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<sup>21</sup> The forms tested in this round are not numbered consecutively because “Form 2” was an internal version that was not used in the consumer interviews.

fees “by asking the interviewer.”<sup>22</sup> The fee structures of the products described by these four forms were constructed for particular scenarios; more information about these scenarios is provided below in the Key Findings section.

- **Forms 8 and 9** were printed on 11” x 17” paper, folded up, and attached to the back of the prepaid card package prototypes so that participants could unfold and read them. Unlike all other forms tested in the three rounds of testing, which showed only a subset of fees, these forms showed all of the fees that could be charged in a tabular format, as well as additional details about several of the fees.<sup>23</sup>

As in Round 2, some of the forms for Round 3 (i.e., Forms 1 and 3) had A and B versions, in which the product described in the A version offered an overdraft program and the product described by the B version did not. However, the forms used in Round 3 disclosed information about the overdraft program differently than in Round 2. All forms in Round 3 included a row in the fee table labeled “overdraft fee,” in which the A versions provided a fee amount and the B versions instead stated “not offered.”

For simplicity, when discussing multiple forms in this section, the term “short form” refers to Forms 1 through 7, while the term “long form” refers to Forms 8 and 9.

### Description of Protocol

As in the other rounds, the interviews for Round 3 followed a semi-structured protocol developed by ICF and the CFPB. Each interview began with a brief introductory discussion of the participant’s prior experience with prepaid cards. Participants then engaged in three shopping comparisons in which they compared two different prepaid products that were hanging on a vertical surface. They were asked to do so while standing up, as they would in a store. In the first two of these comparisons (Forms 4 vs. 5 and 6 vs. 7), participants were told to imagine that they were purchasing a prepaid card for their friend, and were given a specific scenario describing how their friend intended to use the card. They were then asked to select which of the two cards would be best for their friend’s purposes. In the third shopping comparison, participants were asked to review two prototype packages that had Forms 8 and 9 attached. They were then asked to select the card that would be best for them, and to explain their choice.

Following the shopping simulations, the interviewer provided participants with Form 1 and asked them a series of questions to test their comprehension of the information on the form. Participants were then given Form 3 and asked another series of comprehension questions.

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<sup>22</sup> This language was included on the forms in order to test whether or not participants would ask for additional information when necessary in shopping. For more information, see the Key Findings section.

<sup>23</sup> Similar “long form” designs were created as the additional information for Forms 4 through 7. However, they were not provided to participants unless they requested more information during the shopping simulation.

## Key Findings

### General Understanding of and Reaction to the Forms

- As in previous rounds, when asked to identify the amount charged for specific fees that appeared on the forms, participants were able to do so easily and quickly in almost all cases.<sup>24</sup> While there were some instances in which a participant did not see a particular fee on the form, these cases were infrequent and did not appear to be systematic.
- While some of the participants said they would have questions about fees on the form with which they were not familiar (e.g., check refund), most participants said there was not any important information missing from the forms that they thought should be there. However, two participants said they would want more information about “in-network” ATM withdrawals to be listed on the form itself, and one participant felt the replacement card fee should also be listed.
- As mentioned above, the fee table on the short forms included a gray bar separating the static and incidence-based fees. Text in that bar said “The fees below generate significant revenue for this company.” The goal of this text was to explain to consumers why certain fees appeared in the fee table, while others did not.<sup>25</sup> However, this text was not effective. None of the participants mentioned the gray bar or the text within it when reviewing any of the forms, and when asked about it, none of them could explain what it meant.
  - Most participants said they were unsure about the purpose of that text. Two participants thought that since the text stated that the fees below the gray bar generated revenue for the prepaid card company, revenue from the fees in the top section must go to a different entity (e.g., a bank). Others thought that the text just emphasized that the company made a lot of money from those fees, but they were not sure why it was important to communicate that information.

### Understanding of Potential Variance in Fees

As with the previous rounds of user testing, several of the fees on the forms could vary for different reasons. The forms in Round 3 communicated this potential variance in two ways: (a) listing multiple distinct fees, along with a short description of when that fee would be charged; and (b) using an asterisk to link several fees to the same general footnote that said, “Fees can be less depending on how and where this card is used.”

#### *Two Fees Listed*

- The short forms displayed two different ATM withdrawal fees, indicating that the fee would vary depending on whether the ATM being used was in-network or out-of-network. All participants saw both these fees, and understood that the fee would be different depending on whether or not the ATM was in-network. Some participants did not seem to fully understand the distinction between “in-network” and “out-of-network,” but all understood that it was a characteristic of the ATM and could affect the fee they were charged.

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<sup>24</sup> At various points in the interview participants were asked to identify the following fees: monthly, reload, purchase, ATM withdrawal, live agent customer service by phone, ATM balance inquiry, and online bill pay.

<sup>25</sup> The text was intended to clarify that those fees were shown in the table of fees because they generated more revenue for the company than other fees that were not shown on the form.

- The short forms displayed two different per purchase fees, indicating that this fee would be different depending on whether the purchase was made “with sig.” or “with PIN.”<sup>26</sup> Of the seven participants who saw the per purchase fee, all but one understood that it could vary depending on whether they used a signature or PIN to make the purchase. Two participants also said the fee could vary “depending on how and where the card was used.” These two participants mistakenly applied the footnote text for the asterisk to the per purchase fee, even though there was no asterisk next to the per purchase fee.

#### *Use of a Single General Asterisk Applicable to Multiple Fees*

- On the short forms, the monthly and cash reload fees included an asterisk that referenced a footnote which said, “Fees can be less depending on how and where this card is used.” When asked whether or not the monthly and cash reload fees could vary, most participants indicated that they could. When asked to explain their response, most participants simply restated the footnote language on the form, saying they would vary “depending on how and where the card is used.”
- When asked to interpret this text, participants gave a variety of explanations. Most participants thought that the monthly fee might be less depending on how frequently the card was used. Others had different interpretations; for example, one participant thought the monthly fee could be different if the card was used in a different state, while another thought variations in the monthly fee might be related to the “other fees not listed” on the card. When asked why the cash reload fee might vary, the most common responses were that it might depend on where the card was purchased, where it was being reloaded, and whether it was reloaded using cash or direct deposit.

#### *Interpretation of Fees Not Listed*

- The short forms were designed so that in each pair of forms that participants compared, at least one of the incidence-based fees appeared on one form but not the other. Participants were asked what they thought this meant. Overall, approximately half of the participants understood that they could not know whether they would be charged that fee based on the information provided, but that it was possible. However, some of the remaining participants interpreted the absence of a fee from the label to mean either that the service was not offered, or that the service was offered without any fee.
- As noted above, the short forms included a sentence that read “we charge X other fees not listed here”, where X was a number (e.g., 6, 7, 9, or 11). All participants who were asked said they assumed that a higher number would always be worse than a lower number of additional fees. In fact, four participants factored the number of “other fees not listed” into their choice during the shopping simulations. Most participants assumed a higher number would negatively impact them. Until they were prompted by the interviewer, none of the participants considered that a higher number could also indicate that the card offered more, potentially beneficial, services than other cards (and not just more fees).

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<sup>26</sup> Due to limited space on these forms, “with signature” was abbreviated to “with sig.” None of the participants expressed confusion over what the abbreviation meant.

## Availability of Additional Information

- The forms also included a sentence indicating that consumers could find details and conditions for all fees and services inside the package or by calling, texting, or visiting the provider’s website. When asked how they could get more information, all participants said they could call, text, and/or visit the website. At least seven participants saw that information on the form; for the remaining two, it was not clear if their responses were based on their own assumptions or the form text. Notably, a few participants were concerned that calling for more information would incur the “live agent phone service” fee listed in the table of fees.
  - The eight participants who had smartphones were asked how likely they would be to seek more information by accessing the website while they were in the store. Three participants said they would be very likely to do so. The remaining five participants said they would not be likely to access the website on their phone while in the store.
- When asked if there was any additional information participants wished had been on the card, three participants commented that they would want the form to describe the “other fees” that it said were also charged. Another participant said she wished that the same fees were presented on each form, to make it easier to compare them side-by-side. One participant thought that the form should indicate *how* a cardholder could check their account balance (and not just the fee for doing so).

## Understanding of Funds Protection

- Like the forms for Rounds 1 and 2, those used in this round included a sentence indicating that the consumers’ funds would not be protected unless they registered their account. The sentence was reworded for this round to be more “action-oriented,” in the hopes that more participants would notice it: “Register your card to protect your money.” When asked what the benefits of registering their account might be, only two participants mentioned this text on the form. When specifically asked to read this sentence, almost all participants understood what it meant.

## Shopping Simulations

### *Comparisons of Short Forms*

- In the first shopping exercise, participants reviewed prototype packages for two different prepaid cards that displayed short form disclosures and were asked to select the one that would be the best choice for a friend who would load funds onto the card and use it to buy groceries. Forms 4 and 5 were displayed on the outside of the two prototype packages, both of which indicated that the participants could ask the interviewer for more fee information. The interviewer had long form disclosures for both products that she could provide to participants if they asked. For this scenario, all of the information that participants should have needed to make their decision—that is, the fees their friend would be charged for loading funds and making purchases at a store—was included in the short forms on the packages they were reviewing. The participants therefore had no need to ask for additional information.
  - Four of the nine participants did not base their decision on the specific scenario they were provided—that is, they considered a variety of fees when making their decision other than the cash reload and per purchase fees. Of these four, two chose Form 4 and two chose Form 5. However, because they were not answering based on the intended

scenario, it is difficult to draw any conclusions from their decisions about the usability of the forms.

- The remaining five participants specifically based their decision on the scenario they were given, and therefore selected a card for their friend based on the per purchase and cash reload fees that would be charged. All five were able to correctly identify the prepaid card with the lower per purchase and cash reload fees (Form 4).
- None of the participants asked the interviewer for more fee information about either of the cards. As noted above, it was not necessary to do so to complete the scenario.
- The second shopping exercise was structured identically to the first, except that (a) participants were choosing between packages displaying Forms 6 and 7, and (b) the scenario they were given was that they were purchasing a card for a friend who planned to use it during a vacation in another country.<sup>27</sup> Neither form included fees related to making international purchases, so in order to make an informed choice participants would have had to ask the interviewer for more detailed fee information.
  - As in the first scenario, about half of the participants did not appear to base their decision on the scenario they were given, and instead selected a product based on other information that appeared on the forms they were reviewed (*e.g.*, lower fees overall). Again, it is not clear what conclusions can be drawn from these participants.
  - The remaining four participants did base their decision on the scenario. However, three of these participants assumed that international fees would be covered under the “out-of-network” fee on the form, and therefore did not request additional information from the interviewer.
  - Only one participant requested additional information from the interviewer. The interviewer provided this participant with long forms listing all fees for each product. This participant then successfully located the fee for international purchases and selected the product that charged a lower percentage as the fee for international purchases.

#### *Comparison of Long Forms*

- Participants were also asked to complete a third shopping exercise. In this exercise they were shown two prototype packages that included long form disclosures (Forms 8 and 9) that folded out from the package. The participants were then asked to choose which of the two prepaid cards would be best for them. Five of the participants chose the package displaying Form 9. These participants based their decisions on a variety of factors, such as that card’s lower per purchase, ATM withdrawal, cash reload, transfer, and international fees. The remaining four participants chose Version 8; the reasons they gave for their decision included that card’s lower monthly fee, live agent customer service fee, and bank teller withdrawal fee.<sup>28</sup>

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<sup>27</sup> For a few interviews, participants were given an alternate scenario in which the card was going to be used not for international purchases, but instead to transfer money. Again, no information about money transfer fees was provided on the forms, so participants would have had to request additional information from the interviewer in order to make a fully informed decision. However, the results were no different when the scenario was changed.

<sup>28</sup> The researchers did not attempt to determine whether participants made the “correct” choice between the two prototypes, since this would have required a very detailed understanding of how they would use the card.

- Some of the fees listed on the long form also appeared in the short forms, while others did not. When asked to describe all the information played into their selection, five of the nine participants mentioned only information that would have also appeared on a short form. Most of the information mentioned by the remaining four participants would have appeared on the short form, but they each mentioned one fee that factored into their decision that was only found on the long form. Two of these four mentioned the fact that using direct deposit could lower their monthly fee; one each mentioned transfer and international transaction fees.
- One goal of the long form shopping comparison task was to assess the extent to which participants were able to effectively compare packages displaying the “fold-out” long forms while standing up (as they would if shopping in a store). Participants were able to do so, although it appeared to be more difficult than when comparing packages with shorter fee disclosures.
  - Participants spent more time reviewing the long forms before making their decision, compared to the amount of time they spent reviewing the short forms earlier in the interview (an average of approximately 4 minutes vs. 2 minutes).
  - Participants appeared more awkward during this task, and many initially asked or tried to compare the long forms on the table while sitting, rather than standing up. However, after the interviewer asked them to compare the forms and make a decision without using the table (since a table and chair are rarely present at a retail store), participants were ultimately able to do so.

#### Multiple Service Plan Form

- As noted above, all participants were asked to review Form 3, which provided information for several different service plans. All nine participants understood without being prompted by the interviewer that monthly and annual plans were an option with this card, although it did take a few participants several minutes to come to this understanding. However, three participants did not understand that “pay as you go” was a third service plan.
- In addition to the plan-specific fees, the form also listed several other fees that applied to all plans, including a fee for ATM withdrawals. All but one of the participants correctly indicated that this fee would apply if they were using the pay as you go plan.<sup>29</sup> This represented an improvement in comprehension as compared to Round 2.
- Participants were also asked if there was a way to avoid paying a monthly fee if they purchased this card. All but one of the participants understood that the monthly fee could be avoided by selecting one of the other plans.
- Participants were then asked which of the service plans on the form they thought would apply to their account if they purchased the card and did not indicate any preference to the

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<sup>29</sup> As noted above, three participants did not initially seem to realize that “pay as you go” was a plan they could select. These participants were told that this was a plan as a part of this question.

company.<sup>30</sup> Initially, most participants indicated that they did not know. When pressed by the interviewer, all but one of the participants said that the pay as you go plan would be the default service plan. Participants gave a variety of explanations for this answer; for example, one said that the company would make the most money from that service plan, while another said that the company would not be able to charge a monthly or annual fee if the customer had not approved it. Some participants' reasoning seemed to be based on misunderstanding of the options; for example, one said that if a customer did not opt into a service plan then the pay as you go option would apply because it was "not really a plan." The remaining participant believed the monthly plan would automatically apply, because it was the "most common" service plan for prepaid cards.

### Consumer Preferences between Form Versions

- Seven of the participants were asked whether, when shopping for a prepaid card in a store, they would find it more helpful for packages to display (a) the short form showing a subset of most important fees and information about where to get more details (e.g., Form 1); or (b) a long form that provided all information about product fees (e.g., Forms 8 and 9). Participants' preferences were varied:
  - Five of the seven participants said they would prefer to see the short form on the package. They said they could read this form more quickly and easily, and that if they needed more detailed information about fees they could always access it using the instructions on the form. However, one of these participants did note that cell phone reception can sometimes be unreliable in stores, and therefore consumers may not always be able to access additional information in the store.
  - One participant said she would prefer that packages include the long form in the store. She explained that she often uses her prepaid card to transfer funds, so it is important in her decision, but a transfer fee did not appear on any of the short forms tested.
  - The seventh participant said she would prefer that both forms be provided on the package. She described this approach as being "like a medicine bottle," where some information is provided on the outside of the package but the label can be peeled back to access more details, without having to purchase the product to do so.

### Overdraft Program

- When reviewing a short form that presented one service plan, all participants were able to correctly indicate whether or not an overdraft program was offered. When reviewing the multiple service plan form, seven of the nine participants were able to do so. One of the remaining participants did not notice the overdraft fee listed on the form, and therefore thought (based on past experience) that a prepaid card would not offer an overdraft program. The other participant did see the notice on the form that an overdraft program was not offered, but she still believed that the program would be available if the consumer called the company and requested it.

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<sup>30</sup> As with the multiple service plan form used in Round 2, this form did not indicate which plan would apply by default.

- Of the four participants who reviewed a short form that presented one service plan and offered an overdraft program, three assumed that they would have to opt in to such a program if they purchased the card. Of the four participants who reviewed a short form that presented multiple service plans and offered an overdraft program, only one assumed that they would have to opt in—the other three thought that the program would apply automatically to their account. One possible explanation for this finding is that on the multiple service plan form, the overdraft fee appeared in a list of fees titled “applies to all plans.”

## Implications for Subsequent Design

Following the third round of testing, ICF and the CFPB created a revised set of model forms for publication with the CFPB’s proposed rule in the second half of 2014. This set of proposed model forms was informed by findings from the final round of interviews as follows:

- In Round 3, the text used in the footnote to indicate that some fees could vary read, “Fees can be less depending on how and where the card is used.” This wording seemed to be clearer to participants than the wording used in previous rounds; while four participants commented that they found this sentence unclear in Round 2, none of the participants made this comment in Round 3. Therefore, the revised version of the text was used for the proposed model forms.
- In Round 3, the sentence about funds protection was reworded in hopes of making it more prominent so more participants would notice it. The revised wording did not seem to be effective in this regard, as only two participants mentioned the information without prompting. However, comprehension of the sentence remained high (seven of the nine participants understood it), and therefore this wording was used for the proposed model forms.
- For Round 3, the design of the multiple service plan form was revised so that the column of fees that applied to all plans no longer aligned with the fees for the annual plan. This change was intended to alleviate the misconception, held by three participants in Round 2, that these fees only applied to the annual plan. The revised format appeared to be effective, because only one participant in Round 3 did not understand that these fees applied to all of the plans. Therefore, this revised format was used in the proposed model forms.
- In both Rounds 2 and 3, when reviewing the multiple service plan form a few participants did not understand that the “pay as you go” option was a separate service plan that they could choose, just as the “monthly plan” and “annual plan” were. In order to clarify that these were three different service plans, the “pay as you go” option was relabeled “pay as you go plan” in the proposed model forms.
- In Round 3, a gray row was added to the fee table to more explicitly separate the incidence-based fees from the static fees. This gray row included the text, “The fees below generate significant revenue for this company.” None of the participants seemed to notice this text, nor could they explain what it meant when asked. Therefore, neither the gray bar nor this text was included in the proposed model forms.
- Because some participants indicated that the information was useful to them in choosing between cards, the proposed model short forms included the number of other fees that could be charged but were not shown on the form (i.e., “we charge X other fees not listed here”).

## Chapter VII: Conclusion

For consumers who use prepaid accounts—especially those who use them as an alternative to traditional banking instruments—it is important to have an accurate understanding of the fees and other costs associated with using these products. Without a clear sense of the costs involved, consumers will have difficulty making informed decisions related to the purchase and use of prepaid accounts. To help address this need, the CFPB has embarked on this study of how fee information can most effectively be provided to prepaid card users.

This report summarizes findings from focus groups and in-depth interviews conducted by ICF on behalf of the CFPB between October 2013 and May 2014. The purpose of the project was to explore consumers' understanding of, experiences with, and behaviors related to prepaid cards, and to use that information to develop effective ways of disclosing fee information for these products. Based in part on some findings from this research, the CFPB is proposing a “two-pronged approach” to prepaid account disclosures. Under this approach, consumers would receive or have access to both a short form disclosure that includes a subset of the most important fees, and a long form containing comprehensive fee information about the prepaid account. This approach is supported by the following findings in particular:

- Across all rounds, participants were generally able to identify and use fee information on the short forms.
- Most participants understood that the fees provided on the short forms represented only a subset of the fees they could be charged, and they understood how they could access a comprehensive list of fees if they wanted it.
- In Round 3, participants were asked to review two long form disclosures, and choose the product that was best for them. Almost all of the information participants used to make their decisions would have appeared on the short form disclosures as well, implying that their decision-making process would not have been significantly different if they had been shown the short forms instead.
- When asked whether they would prefer to be shown a short form or long form disclosure form when shopping for a prepaid card at a retail store, five of seven participants in the final round of testing said that they would prefer to have only the short form, given that if they wanted to, they could still access the information provided on the long form.

In addition, this study provides support for the use of the top-line design in the proposed model forms. Findings from the focus groups showed that the fees participants found most important when shopping for a prepaid card were the monthly, cash reload, ATM withdrawal, and per purchase fees. Most participants in the interviews confirmed that these fees (which appeared on the top line for some designs) were the most important fees. In the first and second rounds of user testing, the vast majority of participants expressed a strong preference for the top-line design.

While this research provided rich insight into consumers' experiences with prepaid cards and their understanding of and reactions to the forms, it is important to note that questions remain, which we

understand the CFPB will continue to study in order to ensure that its proposed disclosure framework for prepaid accounts is as effective as possible. Some of these remaining questions include:

- Some participants in early rounds had difficulty understanding the exact circumstances under which fee amounts might be different from those shown. In order to alleviate this confusion, the proposed model forms instead include a general note that “fees can be less depending on how and where this card is used.” While this approach simplified the forms, the tradeoff is that it provides less detailed information to consumers on which to base their decisions. Therefore, the CFPB should continue to consider the tradeoffs between different approaches to describing variable fees.
- While most participants understood the multiple service plan forms in a general sense, there were more comprehension errors with these forms than with those that presented only a single service plan. It will be important for the CFPB to continue to examine whether it is possible to disclose fee information for multiple service plans in a way that will make them more understandable to consumers.
- While the inclusion of incidence-based fees seems to be a promising way to ensure that the most relevant fees for each product are displayed, in some cases the fact that different fees were shown on different labels confused participants who were comparing two different them. In some cases participants believed that if a fee did not appear on a label it meant that the product did not offer a particular service, or that they did offer the service but did not charge a fee for it—neither of which would necessarily be the case. The CFPB should continue to weigh the value of including incidence-based fees on the forms against the potential that doing so may lead some consumers to make false assumptions.
- This research showed that most participants who reviewed a short form understood how they could access additional information about fees. However, it is very difficult to assess through this type of testing how likely consumers will be to actually seek out this information while shopping.
- There were a number of cases in which testing participants did not appear to notice or read explanatory text that was included on the forms. The CFPB should continue to develop and test strategies for making this information more prominent without detracting from consumers’ understanding of other parts of the form.
- All of the forms in this study were tested in a hard copy format. However, it is reasonable to assume that, over time, more and more consumers will encounter prepaid fee disclosures in electronic format rather than on paper or on a retail package. Therefore, the CFPB should consider this trend as it continues to develop its disclosure frameworks for prepaid cards and other financial products.

These findings have been used by the CFPB to develop its proposed rulemaking that would apply Regulation E to prepaid accounts. The model forms that were developed and refined through this project will be included as examples of how fees can best be disclosed to consumers. Through this rulemaking, the CFPB hopes to ensure that Americans have access to the information they need to become informed users of prepaid cards.

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## **APPENDIX A:**

## **RECRUITMENT SCREENER**

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**Participant Screener for Prepaid Card User Testing**  
**[LOCATION]**  
**[DATE]**

**General Information and Recruiting Specifications**

- Ten in-depth interviews
    - Five interviews will be held on two different dates, at 9:00, 10:30, 1:00, 2:30, and 4:00.
    - Length of each interview: 90 minutes
    - Participant incentive: \$75
  - RECRUITERS: Ask all interview participants to bring their reading glasses, if necessary, because they may be asked to review one or more documents as part of the interview.
- 

**Recruiting Script**

Hello, my name is [first and last name]. May I speak to [candidate]?

*If someone other than Respondent asks why you are calling, say:* I'm calling regarding an important US government study about prepaid cards.

*Say to Respondent:* I am calling from [marketing company's name] for ICF International. ICF International is working with a US government agency, the Consumer Financial Protection Bureau. The Bureau is an agency in the Federal government whose goal is to ensure that consumers get the information they need to make financial decisions. For this specific project, the Bureau is studying how people use prepaid cards and how they make decisions about those cards.

We are seeking people to voluntarily participate in interviews being held on \_\_\_\_\_. The interview will last 90 minutes, and we will give participants an incentive of \$75. If you are selected and agree to participate in one of these interviews, we will ask you some questions about your use of prepaid cards and how you choose between different products. You will not have to provide any information that you feel uncomfortable discussing.

It is important that you know that we will be audio- and videotaping your interview so that we can be sure to collect what you say accurately. However, your name will not appear in any reports. Also, just so you are not surprised, staff from the Bureau and ICF International will observe your interview from another room.

Do you have a few minutes to answer some pre-qualifying questions? (*If not,* When would be a convenient time to call back?)

*If necessary:* We are not selling anything, we are only looking to find people to participate in a study that the Consumer Financial Protection Bureau is conducting. Everything you say will be kept private except where required by law. Further, your personal information will not be given to the Consumer Financial Protection Bureau.

Q1: In the past 12 months, have you purchased (either in a store or online) a reloadable prepaid card that you can load funds onto yourself? You can buy these cards in a store or online and can reload them by cash or direct deposit if you wish. Examples would include prepaid cards such as GreenDot, NetSpend, RushCard, or Bluebird cards. These cards do **not** include gift cards or health care flexible spending account cards.

- Yes → Continue to Q1a
- No or doesn't know → *Respondent does not qualify; thank them politely and end call.*

Q1a: Are you only able to use this card at a single business or retailer, or can you use it at a variety of different businesses or retailers on the Visa, Discover, American Express, or MasterCard networks?

- Single kind → *Thank respondent politely and end call.*
- Variety → Continue to Q1b

Q1b: Are you only able to use this card to purchase any goods you want or is its use limited to particular categories of merchandise (e.g., health care related goods)?

- Limited use → *Thank respondent politely and end call.*
- Unlimited → Continue to Q1c

Q1c: Have you *more than once* in the past year: (1) loaded cash funds onto this prepaid card **or** (2) set up an electronic transfer of funds (including a direct deposit) onto this prepaid card?

- Yes → Continue to Q1d
- No or doesn't know → *Thank respondent politely and end call*

Q1d: What is the brand name of the prepaid card you have used most frequently (if you remember)?

- Record open-ended response. If respondent says "Visa" or "MasterCard," ask if there is another brand identified on the card.*

Q2: Do you work or have you ever worked for a bank or other financial institution?

- Yes → *Thank respondent politely and end call.*
- No → Continue

Q3: Do you work or have you ever worked for a consumer rights non-profit related to the banking or financial industries?

- Yes → *Thank respondent politely and end call.*
- No → *Ask respondent what his/her occupation is, record respondent's answer, and continue to Q4.*

Q4: Have you participated in any other interviews or focus groups in the past 6 months?

- Yes → *Thank respondent politely and end call.*
- No → Continue

Q5: ARTICULATION QUESTION: In a few sentences please tell us why you use prepaid cards. Tell us some things you like about this product. If you could change one thing about your prepaid card account, what would it be? (*Record respondent's answer.*)

- If respondent gives a thoughtful, articulate answer → **Respondent qualifies**
- If respondent does not give a thoughtful, articulate answer → *Thank respondent politely and end call.*

Screening Criteria	Recruiting Quotas
<p>Q6: In the past <u>two years</u>, have you ever used a card that your employer provided and loaded money onto, also called a payroll card?</p> <ul style="list-style-type: none"> <li>• <i>Do not include gift cards or any prepaid cards that you purchase yourself.</i></li> <li><input type="checkbox"/> Yes → Continue to Q6a</li> <li><input type="checkbox"/> No → Skip to Q7a</li> </ul> <p>Q6a: Were you only able to use this card at a single business or retailer, or could you use it at a variety of different businesses or retailers on the Visa, Discover, American Express, or MasterCard networks?</p> <ol style="list-style-type: none"> <li>a) Single kind → Skip to Q7a</li> <li>b) Variety → Continue to Q6b</li> </ol> <p>Q6b: Please describe this card. Who placed the funds on this card? Why were the funds placed on the card?  <i>Record open-ended response</i></p>	<ul style="list-style-type: none"> <li>• At least 3 recruits should answer (a) to Q6a.</li> </ul>
<p>Q7a: In the past <u>12 months</u>, have you yourself opened a prepaid account <u>online</u> or purchased a prepaid card <u>online</u>? Please answer based on whether you have <i>opened</i> an account or <i>purchased</i> a card online, not whether you have <i>loaded</i> funds online.</p> <ol style="list-style-type: none"> <li>a) Yes</li> <li>b) No</li> </ol> <p>Q7b: In the past <u>12 months</u>, have you yourself purchased a prepaid card <u>in a store</u>? Please answer based on whether you have <i>purchased</i> prepaid cards in a store, not whether you have <i>loaded</i> funds onto them in a store.</p> <ol style="list-style-type: none"> <li>a) Yes</li> <li>b) No</li> </ol>	<ul style="list-style-type: none"> <li>• At least 3 recruits should answer Yes to Q7a</li> <li>• At least 6 recruits should answer Yes to Q7b</li> </ul>

Screening Criteria	Recruiting Quotas
<p>Q8: Do you currently have a checking or savings account with a bank or credit union?</p> <p>a) Yes b) No</p>	<ul style="list-style-type: none"> <li>• At least 3 recruits should answer No</li> </ul>
<p>Q9: What is your age?</p> <p>a) 18 to 35 b) 36 to 50 c) 51 or above</p>	<ul style="list-style-type: none"> <li>• At least 3 recruits should answer (a)</li> <li>• At least 3 recruits should answer (b)</li> <li>• At least 2 recruits should answer (c)</li> </ul>
<p>Q10: Are you of Hispanic or Latino origin (ethnicity)?</p> <p>a) Yes → Continue to Q10a b) No → Skip to Q11</p> <p>Q10a: Do you primarily speak Spanish at home?</p> <p>a) Yes b) No</p>	<ul style="list-style-type: none"> <li>• At least 3 recruits should answer Yes to Q10</li> <li>• At least 2 recruits should answer Yes to Q10a</li> </ul>
<p>Q11: What is your race? You can select more than one, if applicable.</p> <p>a) White b) Black or African-American c) Asian d) Native Hawaiian or other Pacific Islander e) American Indian or Alaska Native</p>	<ul style="list-style-type: none"> <li>• At least 3 recruits should answer (a)</li> <li>• At least 3 recruits should answer (b), (c), (d), or (e)</li> </ul>
<p>Q12: What is the highest level that you reached in school?</p> <p>a) High school degree or less b) Some college work c) College graduate</p>	<ul style="list-style-type: none"> <li>• At least 3 recruits should answer (a)</li> <li>• At least 3 recruits should answer (b)</li> <li>• At least 2 recruits should answer (c)</li> </ul>
<p>Q13: <i>Gender</i></p>	<ul style="list-style-type: none"> <li>• At least 4 recruits of each gender</li> </ul>

*If participant qualifies:* Based on your responses, we would like to invite you to participate in an interview, which will be held at **[facility name and address]**. The interview will last about 90 minutes. We may be showing you some documents to look at during the interview, so if you use reading glasses please be sure that you bring them. We will provide you with a \$75 incentive for participating in the interview.

*If participant is willing to participate, record their name and contact information, confirm the time and date, and indicate that they will receive a confirmation call the day before the interview. Regardless of whether or not they are willing to participate, thank them before ending the call.*

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**APPENDIX B:**  
**SAMPLE FEE DISCLOSURES SHOWN IN**  
**CONSUMER FOCUS GROUPS**

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## No Overdraft Fees • No Credit Card Debt

<b>Buying the Card</b>	► \$4.95 purchase fee plus your initial load amount. Cash only.
<b>Using the Card</b>	► \$5.95 Monthly Charge. BUT...we will waive the Monthly Charge in any billing cycle that you either load at least \$1,000 or have at least 30 qualifying purchases* posted to your account.
<b>Reloading the Card</b>	► No charge to automatically direct deposit your wages or government benefits. ► \$4.95 or less when loading cash at a retail store.
<b>Using ATMs &amp; Getting Cash</b>	► No ATM withdrawal fee at over 20,000 MoneyPass® ATMs nationwide. ► No charge at retailers offering "cash back" with purchase. ► At non-MoneyPass ATMs and bank teller locations, \$2.50 for cash withdrawals and \$0.50 for balance inquiries, plus any fee the bank or ATM owner may charge.
<b>Other Fees</b>	► \$4.95 to replace a lost, stolen, or damaged card. ► At foreign merchants, we will add a 3% surcharge to the transaction amount. ► Optional services may also be offered for a fee.

▼ Open to learn more

\*Qualifying purchases include completed transactions where you are paying for goods or services with your card. See Cardholder Agreement at [REDACTED] or inside this package to see when your billing cycle starts and ends and for complete details about your account. Patent Pending

TO RETURN THIS CARD  
OR GET REFUND  
INFORMATION,

Here are some of the fees you are most likely to pay. Fees for loading and using this card appear in the enclosed Cardholder Agreement. For more information, visit [REDACTED] or call [REDACTED]

PLAN OPTIONS	Pay-As-You-Go™ Plan	Monthly FeeAdvantage™ Plan	Annual FeeAdvantage™ Plan
Plan Fee	<b>NONE</b>	<b>\$9.95</b>	<b>\$69.95</b>
Signature Purchase Transaction Fee	<b>\$1 each</b>	<b>INCLUDED IN PLAN</b>	
PIN Purchase Transaction Fee	<b>\$2 each</b>	<b>INCLUDED IN PLAN</b>	
Domestic ATM Cash Withdrawal <sup>2</sup>		<b>\$2.50 each</b>	
Balance Inquiry Fee Online, Email, or Text <sup>3</sup>		<b>INCLUDED IN PLAN</b>	
Balance Inquiry Fee Toll-Free Number or ATM		<b>50¢ each</b>	
Account Maintenance Fee (Monthly) <sup>4</sup>			<b>\$5.95 (AFTER 90 DAYS OF NO ACTIVITY)</b>

\***IMPORTANT INFORMATION ABOUT PROCEDURES FOR OPENING A NEW CARD ACCOUNT:** To help the government fight the funding of terrorism and money laundering activities, federal law requires all financial institutions to obtain, verify, and record information that identifies each person who opens a Card Account. What this means for you: When you open a Card Account, we will ask for your name, address, date of birth, and other information that will allow us to identify you. We may also ask to see a copy of your driver's license or other identifying documents.

<sup>1</sup>No fee for cardholder-to-cardholder transfers made via text message or online. There are fees associated with some online bill pay services.

<sup>2</sup>Withdrawal fees apply and ATM owner fees may apply. Refer to the enclosed Cardholder Agreement and fee chart for details.

<sup>3</sup>Our email and text message services are free, but your carrier may charge you for messages.

<sup>4</sup>This fee applies if Card Account has not had any activity - that is, no purchases; no cash withdrawals; no load transactions; or no balance inquiry fee - for 90 days. If you are enrolled in the FeeAdvantage Plan (FAP) and your Card Account has had no activity, this fee will apply (a) if the annual FAP fee was paid, or (b) instead of the monthly FAP fee. The Account Maintenance Fee is not applicable to residents of Connecticut and New Jersey.

[REDACTED] Visa Prepaid Debit Cards are issued by The Bancorp Bank pursuant to a license from Visa U.S.A. Inc. The Bancorp Bank, Member FDIC, [REDACTED] is an Independent Sales Organization pursuant to an agreement with The Bancorp Bank. Use of card subject to funds availability. Transaction fees, terms, and conditions apply. See Cardholder Agreement for complete details.

**FEE CHART**

LOW MONTHLY FEE*	\$1 (NO FEE IN NY, TX, VT)
(WAIVED WITH MINIMUM MONTHLY LOAD <sup>1</sup> )	
MINIMUM BALANCE	\$0
OVERDRAFT FEE	\$0
Load your Serve Account with:	
DIRECT DEPOSIT	\$0
CHECKING/SAVINGS ACCOUNT	\$0
CASH RELOAD PACK (3RD PARTY PURCHASE FEES MAY APPLY)	\$0
WITHDRAWAL/DECLINE AT MONEYPASS® ATMS	\$0
WITHDRAWAL/DECLINE AT OTHER ATMS (ATM OWNER FEES MAY ALSO APPLY)	\$2 (NO FEE IN VT)
PAY BILLS	\$0
SEND AND RECEIVE MONEY ONLINE AND BY APP <sup>2</sup>	\$0
FOREIGN TRANSACTIONS*	2.7% <sup>3</sup> (NO FEE IN VT)

**SUBJECT TO APPLICABLE LAW, A \$1 MONTHLY FEE WILL BE ASSESSED AGAINST TEMPORARY CARD BALANCE STARTING 30 DAYS AFTER PURCHASE.\* NO FEE IN AR, NY, TX.**

Fees subject to change. Visit [REDACTED] for the latest Fee Schedule and more details.

<sup>1</sup>Fee waived on monthly statement periods you load \$500 or more or have any Direct Deposit load.

Funds loaded to Temporary Card do not qualify toward fee waiver requirements. Fee waiver only available after successful signup for full [REDACTED] Account.

<sup>2</sup>Data rates may apply.

<sup>3</sup>2.7% of each transaction after conversion to US dollars.

\*Fees not effective before 12/03/13; see [REDACTED] for updated information.

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## **APPENDIX C: FORMS SHOWN IN CONSUMER INTERVIEWS**

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*Round 1:*  
**Baltimore, MD**  
**February 12 & 19, 2014**

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# 1A

Monthly fee	\$5.95*
Cash reload	\$3.95 or less**
ATM withdrawal (in-network/out-of-network)	\$1.50 / \$2.50***
Purchase (with signature/with PIN)	\$0.75 / \$1.00
Online bill pay	\$1.50 per bill
ATM balance inquiry (in-network/out-of-network)	\$0.50 / \$2.50***
Live agent phone service	\$1.50 per call
Inactivity (no transactions for 3 months)	\$4.95 per month
Purchase decline	\$0.95
ATM decline	\$0.95

**We charge other fees not listed here.** See the enclosed account agreement or visit [www.abcprepaid.com/fees](http://www.abcprepaid.com/fees) for details.

\* \$0 if at least \$1,000 loaded onto card or 10 purchases made in that month.

\*\* \$0 if loaded at certain locations.

\*\*\* Third party fees may also apply.

Your money is not protected against unauthorized transactions until you register this card.

For more information about prepaid cards contact the Consumer Financial Protection Bureau at [consumerfinance.gov/prepays](http://consumerfinance.gov/prepays).

## 1B

Monthly fee	\$4.95*
Cash reload	\$3.00 or less**
ATM withdrawal (in-network/out-of-network)	\$1.00 / \$2.50***
Purchase (with signature/with PIN)	\$0.75 / \$2.00
Online bill pay	\$2.00 per bill
ATM balance inquiry (in-network/out-of-network)	\$0.50 / \$2.50***
Live agent phone service	\$2.50 per call
Inactivity (no transactions for 6 months)	\$4.95 per month
Purchase decline	\$0.95
ATM decline	\$1.50

**We charge other fees not listed here.** See the enclosed account agreement or visit [www.abcprepaid.com/fees](http://www.abcprepaid.com/fees) for details.

\* \$0 if at least \$1,000 loaded onto card or 30 purchases made in that month.

\*\* \$1.00 if loaded at certain locations.

\*\*\* Third party fees may also apply.

Your money is not protected against unauthorized transactions until you register this card.

For more information about prepaid cards contact the Consumer Financial Protection Bureau at [consumerfinance.gov/prepays](http://consumerfinance.gov/prepays).

## 2A

Maintenance	Monthly fee	\$0
<b>Add and withdraw money</b>	Cash reload	\$3.00 or less*
	ATM withdrawal (in-network/out-of-network)	\$0.75 / \$1.75**
<b>Make purchases</b>	Purchase (with signature/with PIN)	\$0.50 / \$1.50
	Online bill pay	\$2.00 per bill
<b>Get account information</b>	ATM balance inquiry (in-network/out-of-network)	\$0.75 / \$2.75**
	Live agent phone service	\$2.00 per call
	Inactivity (no transactions for 3 months)	\$2.50 per month
<b>Other fees</b>	Purchase decline	\$1.00
	ATM decline	\$0

**We charge other fees not listed here.** See the enclosed account agreement or visit [www.abcprepaid.com/fees](http://www.abcprepaid.com/fees) for details.

\* \$1.00 if loaded at certain locations.  
\*\* Third party fees may also apply.

Your money is not protected against unauthorized transactions until you register this card.  
For more information about prepaid cards contact the Consumer Financial Protection Bureau at [consumerfinance.gov/prepays](http://consumerfinance.gov/prepays).

## 2B

Maintenance	Monthly fee	\$3.95*
<b>Add and withdraw money</b>	Cash reload	\$3.00 or less**
	ATM withdrawal (in-network/out-of-network)	\$0.75 / \$1.25***
<b>Make purchases</b>	Purchase (with signature/with PIN)	\$0 / \$0
	Online bill pay	\$2.50 per bill
<b>Get account information</b>	ATM balance inquiry (in-network/out-of-network)	\$0.50 / \$2.50***
	Live agent phone service	\$2.00 per call
<b>Other fees</b>	Inactivity (no transactions for 3 months)	\$5.00 per month
	Purchase decline	\$0.75
	ATM decline	\$1.00

**We charge other fees not listed here.** See the enclosed account agreement or visit [www.abcprepaid.com/fees](http://www.abcprepaid.com/fees) for details.

\* \$0 if at least \$500 loaded onto card or 30 purchases made in that month.  
\*\* \$0 if loaded at certain locations.  
\*\*\* Third party fees may also apply.

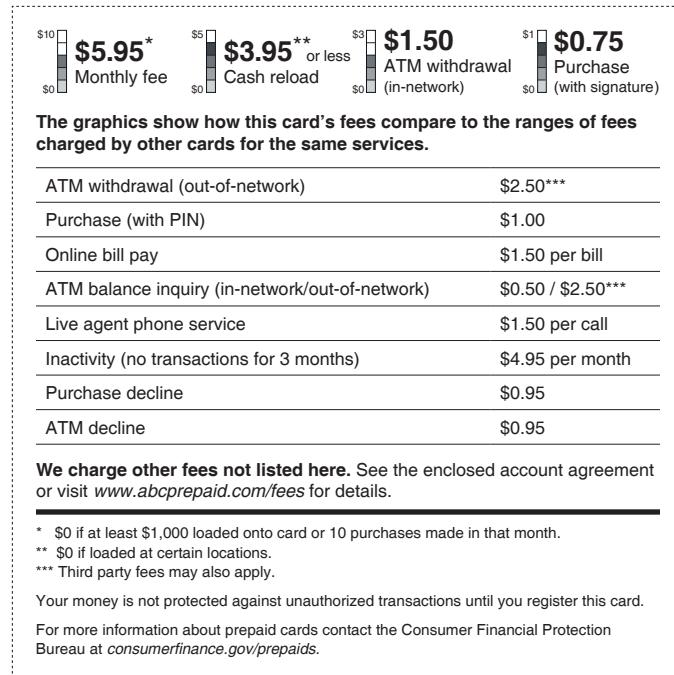
Your money is not protected against unauthorized transactions until you register this card.  
For more information about prepaid cards contact the Consumer Financial Protection Bureau at [consumerfinance.gov/prepays](http://consumerfinance.gov/prepays).

## 3A

<b>\$4.95*</b> Monthly fee	<b>\$2.00** or less</b> Cash reload	<b>\$0.50</b> ATM withdrawal (in-network)	<b>\$0 / \$0</b> Purchase (with signature/with PIN)
ATM withdrawal (out-of-network)			\$1.50***
Online bill pay			\$1.75 per bill
ATM balance inquiry (in-network/out-of-network)			\$0.50 / \$2.50***
Live agent phone service			\$1.50 per call
Inactivity (no transactions for 3 months)			\$4.50 per month
Purchase decline			\$1.00
ATM decline			\$1.00
<b>We charge other fees not listed here.</b> See the enclosed account agreement or visit <a href="http://www.abcprepaid.com/fees">www.abcprepaid.com/fees</a> for details.			
<hr/> <small>* \$1.00 if at least \$1,000 loaded onto card or 30 purchases made in that month. ** \$0 if loaded at certain locations. *** Third party fees may also apply.</small>			
<small>Your money is not protected against unauthorized transactions until you register this card. For more information about prepaid cards contact the Consumer Financial Protection Bureau at <a href="http://consumerfinance.gov/prepays">consumerfinance.gov/prepays</a>.</small>			

## 3B

\$0	\$2.25* or less	\$0	\$0.75 / \$1.00
Monthly fee	Cash reload	ATM withdrawal (in-network)	Purchase (with signature/with PIN)
ATM withdrawal (out-of-network)			\$2.00**
Online bill pay			\$1.75 per bill
ATM balance inquiry (in-network/out-of-network)			\$0.50 / \$2.50**
Live agent phone service			\$1.00 per call
Inactivity (no transactions for 3 months)			\$4.00 per month
Purchase decline			\$1.00
ATM decline			\$0.75
<b>We charge other fees not listed here.</b> See the enclosed account agreement or visit <a href="http://www.abcprepaid.com/fees">www.abcprepaid.com/fees</a> for details.			
<hr/>			
* \$0 if loaded at certain locations. ** Third party fees may also apply.			
Your money is not protected against unauthorized transactions until you register this card.			
For more information about prepaid cards contact the Consumer Financial Protection Bureau at <a href="http://consumerfinance.gov/prepays">consumerfinance.gov/prepays</a> .			



*Round 2:*  
**Los Angeles, CA**  
**March 19-20, 2014**

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## 1A

Monthly fee	Cash reload	Per purchase	ATM withdrawal
<b>\$4.95*</b>	<b>\$2.00**</b>	<b>\$0</b> with signature <b>\$1.50</b> with PIN	<b>\$0</b> in-network <b>\$2.00</b> out-of-network
<hr/>			
ATM balance inquiry (in-network or out-of-network)			\$0 or \$1.00
Live agent phone service			\$1.50 per call
Inactivity (no transactions for 3 months)			\$4.50 per month
Online bill pay service			\$0.45
Check refund			\$4.95
Bank teller withdrawal			\$1.00
<hr/>			
* \$0 if at least \$1,000 loaded onto card or 30 purchases made in that month.			
** \$0 if loaded at certain locations.			
<b>We charge other fees not listed here.</b> See the enclosed account agreement or visit <a href="http://www.abcprepaid.com/fees">www.abcprepaid.com/fees</a> for details.			
<b>WARNING: this product charges an overdraft fee of \$15 per transaction.</b> Your overdraft fees could total up to \$60 per month.			
Until you register this card, your money is not protected.			
For more info about prepaid cards, visit <a href="http://consumerfinance.gov/prepays">consumerfinance.gov/prepays</a> .			

## 1B

Monthly fee	Cash reload	Per purchase	ATM withdrawal
<b>\$4.95*</b>	<b>\$2.00**</b>	<b>\$0</b> with signature <b>\$1.50</b> with PIN	<b>\$0</b> in-network <b>\$2.00</b> out-of-network
<hr/>			
ATM balance inquiry (in-network or out-of-network)		\$0 or \$1.00	
Live agent phone service		\$1.50 per call	
Inactivity (no transactions for 3 months)		\$4.50 per month	
Online bill pay service		\$0.45	
Check refund		\$4.95	
ATM or purchase decline		\$0.50	
<small>* \$0 if at least \$1,000 loaded onto card or 30 purchases made in that month. ** \$0 if loaded at certain locations.</small>			
<b>We charge other fees not listed here.</b> See the enclosed account agreement or visit <a href="http://www.abcprepaid.com/fees">www.abcprepaid.com/fees</a> for details.			
This product does not offer an overdraft program.			
Until you register this card, your money is not protected.			
For more info about prepaid cards, visit <a href="http://consumerfinance.gov/prepays">consumerfinance.gov/prepays</a> .			

## 2A

Monthly fee	Cash reload	Per purchase	ATM withdrawal
<b>\$6.95*</b>	<b>\$3.00*</b>	<b>\$1.00*</b>	<b>\$2.50*</b>

\*Fees can be less depending on usage.

ATM balance inquiry	\$0.50*
Live agent phone service	\$0.95 per call
Inactivity (no transactions for 3 months)	\$2.95 per month
Online bill pay service	\$0
Replacement card	\$4.95
Bank teller withdrawal	\$1.00

**We charge other fees not listed here.** See the enclosed account agreement or visit [www.abcprepaid.com/fees](http://www.abcprepaid.com/fees) for details.

**WARNING: this product charges an overdraft fee of \$15 per transaction.** Your overdraft fees could total up to \$60 per month.

Until you register this card, your money is not protected.

For more information about prepaid cards,  
visit [consumerfinance.gov/prepays](http://consumerfinance.gov/prepays).

## 2B

Monthly fee	Cash reload	Per purchase	ATM withdrawal
<b>\$6.95*</b>	<b>\$3.00*</b>	<b>\$1.00*</b>	<b>\$2.50*</b>

\*Fees can be less depending on usage.

ATM balance inquiry	\$0.50*
Live agent phone service	\$0.95 per call
Inactivity (no transactions for 3 months)	\$2.95 per month
Online bill pay service	\$0
Replacement card	\$4.95
ATM or purchase decline	\$1.00

**We charge other fees not listed here.** See the enclosed account agreement or visit [www.abcprepaid.com/fees](http://www.abcprepaid.com/fees) for details.

This product does not offer an overdraft program.

Until you register this card, your money is not protected.

For more information about prepaid cards,  
visit [consumerfinance.gov/prepays](http://consumerfinance.gov/prepays).

## 3A

	<b>Pay-as-you-go</b>	<b>Monthly plan</b>	<b>Annual plan</b>			
Plan fee	\$0.00	\$4.95 per month	\$49.95 per year			
Purchase	\$2.00*	\$0.00	\$0.00			
<b>All plans</b>						
Cash reload	\$0					
ATM withdrawal	\$1.95*					
ATM balance inquiry	\$1.00*					
Live agent phone service	\$1.00 per call					
Inactivity (no transactions for 3 months)	\$1.95 per month					
Online bill pay service	\$0					
*Fees can be less depending on usage.						
<b>We charge other fees not listed here.</b> See the enclosed account agreement or visit <a href="http://www.abcprepaid.com/fees">www.abcprepaid.com/fees</a> for details.						
<b>WARNING: this product charges an overdraft fee of \$15 per transaction.</b> Your overdraft fees could total up to \$60 per month.						
Until you register this card, your money is not protected.						
For more details about prepaid cards, visit <a href="http://consumerfinance.gov/prepays">consumerfinance.gov/prepays</a> .						

## 5A

<b>Maintenance</b>	Monthly fee	\$5.95
<b>Add and withdraw money</b>	Cash reload	\$1.00*
	ATM withdrawal	\$2.00*
<b>Spend money</b>	Per purchase	\$1.25*
	Online bill pay service	\$1.00
<b>Get account information</b>	ATM balance inquiry	\$0.95*
	Live agent phone service	\$1.50 per call
<b>Other fees</b>	Inactivity (no transactions for 3 months)	\$0 per month
	Replacement card	\$5.95

\*Fees can be less depending on usage.

**We charge other fees not listed here.** See the enclosed account agreement or visit [www.abcprepaid.com/fees](http://www.abcprepaid.com/fees) for details.

**WARNING: this product charges an overdraft fee of \$15 per transaction.** Your overdraft fees could total up to \$60 per month.

Until you register this card, your money is not protected.

For more details about prepaid cards, visit [consumerfinance.gov/prepays](http://consumerfinance.gov/prepays).

## 5B

<b>Maintenance</b>	Monthly fee	\$5.95
<b>Add and withdraw money</b>	Cash reload	\$1.00*
	ATM withdrawal	\$2.00*
<b>Spend money</b>	Per purchase	\$1.25*
	Online bill pay service	\$1.00
<b>Get account information</b>	ATM balance inquiry	\$0.95*
	Live agent phone service	\$1.50 per call
<b>Other fees</b>	Inactivity (no transactions for 3 months)	\$0 per month
	Replacement card	\$5.95

\*Fees can be less depending on usage.

**We charge other fees not listed here.** See the enclosed account agreement or visit [www.abcprepaid.com/fees](http://www.abcprepaid.com/fees) for details.

This product does not offer an overdraft program.

Until you register this card, your money is not protected.

For more details about prepaid cards, visit [consumerfinance.gov/prepays](http://consumerfinance.gov/prepays).

*Round 3:*  
**Kansas City, MO**  
**April 9-10, 2014**

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## 1A

Monthly fee	Cash reload	Per purchase	ATM withdrawal
<b>\$4.95*</b>	<b>\$2.00*</b>	<b>\$0</b> with sig. <b>\$1.50</b> with PIN	<b>\$0</b> in-network <b>\$2.00</b> out-of-network
<hr/>			
ATM balance inquiry (in-network or out-of-network)			\$0 or \$1.00
Live agent phone service			\$1.50 per call
Inactivity (no transactions for 3 months)			\$4.50 per month
Overdraft program			\$15.00 per overdraft
Online bill pay service			\$0.45
<b>THE FEES BELOW GENERATE SIGNIFICANT REVENUE FOR THIS COMPANY:</b>			
Check refund			\$4.95
Bank teller withdrawal			\$1.00
<hr/>			
*Fees can be less depending how and where this card is used.			
<b>We charge 7 other fees not listed here.</b>			
Find details and conditions for all fees and services inside the package or: Text <b>FEES</b> to <b>816-287-5333</b> Call <b>816-287-5FEE</b> Visit <b><a href="http://bit.ly/prepays">bit.ly/prepays</a></b>			
Register your card to protect your money.			
For more info about prepaid cards, visit <b><a href="http://bit.ly/cfpb-prepays">bit.ly/cfpb-prepays</a></b> .			

## 1B

Monthly fee	Cash reload	Per purchase	ATM withdrawal
<b>\$4.95*</b>	<b>\$2.00*</b>	<b>\$0</b> with sig. <b>\$1.50</b> with PIN	<b>\$0</b> in-network <b>\$2.00</b> out-of-network
<hr/>			
ATM balance inquiry (in-network or out-of-network)			\$0 or \$1.00
Live agent phone service			\$1.50 per call
Inactivity (no transactions for 3 months)			\$4.50 per month
Overdraft program			not offered
Online bill pay service			\$0.45
<b>THE FEES BELOW GENERATE SIGNIFICANT REVENUE FOR THIS COMPANY:</b>			
Check refund			\$4.95
Bank teller withdrawal			\$1.00
<hr/>			
*Fees can be less depending how and where this card is used.			
<b>We charge 7 other fees not listed here.</b>			
Find details and conditions for all fees and services inside the package or: Text <b>FEES</b> to <b>816-287-5333</b> Call <b>816-287-5FEE</b> Visit <b><a href="http://bit.ly/prepays">bit.ly/prepays</a></b>			
Register your card to protect your money.			
For more info about prepaid cards, visit <b><a href="http://bit.ly/cfpb-prepays">bit.ly/cfpb-prepays</a></b> .			

## 3A

	<b>Pay-as-you-go</b>	<b>Monthly plan</b>	<b>Annual plan</b>
Plan fee	\$0.00	\$4.95 per month	\$49.95 per year
Purchase	\$2.00	\$0.00	\$0.00
<b>Applies to all plans</b>			
Cash reload	\$0		
ATM withdrawal	\$1.95*		
ATM balance inquiry	\$1.00*		
Live agent phone service	\$1.00 per call		
Inactivity (no transactions for 3 months)	\$1.95 per month		
Overdraft program	\$15.00 per overdraft		
Online bill pay service	\$0		

\*Fees can be less depending how and where this card is used.

**We charge 6 other fees not listed here.**  
Find details and conditions for all fees and services inside the package or:  
Text **FEES** to **816-287-5333** Call **816-287-5FEE** Visit [bit.ly/prepays](http://bit.ly/prepays)

Register your card to protect your money.  
For more info about prepaid cards, visit [bit.ly/cfpb-prepads](http://bit.ly/cfpb-prepads).

## 3B

	<b>Pay-as-you-go</b>	<b>Monthly plan</b>	<b>Annual plan</b>
Plan fee	\$0.00	\$4.95 per month	\$49.95 per year
Purchase	\$2.00	\$0.00	\$0.00
<b>Applies to all plans</b>			
Cash reload		\$0	
ATM withdrawal		\$1.95*	
ATM balance inquiry		\$1.00*	
Live agent phone service		\$1.00 per call	
Inactivity (no transactions for 3 months)		\$1.95 per month	
Overdraft program		not offered	
Online bill pay service		\$0	

\*Fees can be less depending how and where this card is used.

**We charge 6 other fees not listed here.**  
Find details and conditions for all fees and services inside the package or:  
Text **FEES** to **816-287-5333** Call **816-287-5FEE** Visit [bit.ly/prepays](http://bit.ly/prepays)

Register your card to protect your money.  
For more info about prepaid cards, visit [bit.ly/cfpb-prepads](http://bit.ly/cfpb-prepads).

## 4 (Short)

Monthly fee	Cash reload	Per purchase	ATM withdrawal
<b>\$2.95*</b>	<b>\$2.00*</b>	<b>\$0</b> with sig. <b>\$1.00</b> with PIN	<b>\$0</b> in-network <b>\$0.75</b> out-of-network
<hr/>			
ATM balance inquiry (in-network or out-of-network)			\$0 or \$0.75
Live agent phone service			\$2.00 per call
Inactivity (no transactions for 3 months)			\$2.50 per month
Overdraft program			not offered
Online bill pay service			\$2.00
<b>THE FEES BELOW GENERATE SIGNIFICANT REVENUE FOR THIS COMPANY:</b>			
Check refund			\$1.00
Replacement card			\$4.00
<hr/>			
*Fees can be less depending how and where this card is used.			
<b>We charge 9 other fees not listed here.</b>			
Find details and conditions for all fees by asking the interviewer or: Text <b>FEES</b> to <b>816-287-5333</b> Call <b>816-287-5FEE</b> Visit <b><a href="http://bit.ly/prepays">bit.ly/prepays</a></b>			
Register your card to protect your money.			
For more info about prepaid cards, visit <b><a href="http://bit.ly/cfpb-prepays">bit.ly/cfpb-prepays</a></b> .			

## 4 (Long)

Fee description	Amount	Details
<b>Get started</b>		
Card purchase fee	\$3.95	
<b>Monthly usage</b>		
Monthly fee (with direct deposit)	\$0	
Monthly fee (without direct deposit)	\$2.95	Charge waived in any billing cycle when you load at least \$1,000 or have at least 30 qualifying purchases posted to your account.
<b>Add money</b>		
Direct deposit	\$0	
Cash reload	\$2.00	Additional reload network fees may apply.
<b>Spend money within the U.S.</b>		
Each purchase with PIN	\$1.00	The combined total of Transaction Fees and International Transaction Fees is limited to \$10.00 in each calendar month and is based on the date the transaction is posted to your account as reflected on your statement.
Each purchase with signature	\$0	
Online bill pay service	\$2.00	Charge for having us send a check to pay a bill on your behalf.
Card to card transfer (to/from your own cards)	\$0.75	
Card to card transfer (to/from any other card member)	\$1.00	
<b>Get cash</b>		
ATM withdrawal, in-network	\$0	"In Network" refers to the MoneyPass® ATM network. Locations can be found at <a href="http://www.abcprepaid.com">www.abcprepaid.com</a> or <a href="http://moneypass.com">moneypass.com</a> . You will not be charged a fee by ABC Prepaid Card or the ATM operator.
ATM withdrawal, out-of-network	\$0.75	"Out of Network" refers to all the ATMs outside of the MoneyPass ATM network. You may also be charged a fee by the ATM operator even if you do not complete a transaction.
Bank teller cash withdrawal	\$1.25	Plus any fee the bank may charge.
Store cash back with PIN purchase	\$0	
<b>Information</b>		
Live agent phone service	\$2.00	per call
ATM balance inquiry, in-network	\$0	"In Network" refers to the MoneyPass® ATM network. Locations can be found at <a href="http://www.abcprepaid.com">www.abcprepaid.com</a> or <a href="http://moneypass.com">moneypass.com</a> . You will not be charged a fee by ABC Prepaid Card or the ATM operator.
ATM balance inquiry, out-of-network	\$0.75	"Out of Network" refers to all the ATMs outside of the MoneyPass ATM network. You may also be charged a fee by the ATM operator even if you do not complete a transaction.
<b>Other</b>		
Overdraft program	Not offered	
Replacement card	\$4.00	
Expedited cash	\$3.95	
Inactivity (no transactions for 3 months)	\$2.50	per month
Check refund	\$1.00	
Paper statement	\$1.00	Fee changes to \$1.00 for any duplicate request for a paper statement made in the same calendar year.
ATM or purchase decline	\$0	
<b>Spend money outside the U.S.</b>		
Each international transaction	3.0%	of total transaction amount
International ATM balance inquiry	\$5.00	
International ATM withdrawal fee	\$5.00	

For more details about prepaid cards, visit [bit.ly/cfpb-prepays](http://bit.ly/cfpb-prepays).

## 5 (Short)

Monthly fee	Cash reload	Per purchase	ATM withdrawal
<b>\$2.95*</b>	<b>\$4.00*</b>	<b>\$1.00</b> with sig. <b>\$2.00</b> with PIN	<b>\$0</b> in-network <b>\$0.75</b> out-of-network
<hr/>			
ATM balance inquiry (in-network or out-of-network)			\$0 or \$0.50
Live agent phone service			\$2.00 per call
Inactivity (no transactions for 3 months)			\$2.75 per month
Overdraft program			not offered
Online bill pay service			\$2.25
<b>THE FEES BELOW GENERATE SIGNIFICANT REVENUE FOR THIS COMPANY:</b>			
Check refund			\$0.75
Bank teller withdrawal			\$1.00
<hr/>			
*Fees can be less depending how and where this card is used.			
<b>We charge 9 other fees not listed here.</b>			
Find details and conditions for all fees by asking the interviewer or: Text <b>FEES</b> to <b>816-287-5333</b> Call <b>816-287-5FEE</b> Visit <b><a href="http://bit.ly/prepays">bit.ly/prepays</a></b>			
Register your card to protect your money.			
For more info about prepaid cards, visit <b><a href="http://bit.ly/cfpb-prepays">bit.ly/cfpb-prepays</a></b> .			

## 5 (Long)

Fee description	Amount	Details
<b>Get started</b>		
Card purchase fee	\$3.50	
<b>Monthly usage</b>		
Monthly fee (with direct deposit)	\$0	
Monthly fee (without direct deposit)	\$2.95	Charge waived in any billing cycle when you load at least \$1,000 or have at least 30 qualifying purchases posted to your account.
<b>Add money</b>		
Direct deposit	\$0	
Cash reload	\$4.00	Additional reload network fees may apply.
<b>Spend money within the U.S.</b>		
Each purchase with PIN	\$2.00	The combined total of Transaction Fees and International Transaction Fees is limited to \$10.00 in each calendar month and is based on the date the transaction is posted to your account as reflected on your statement.
Each purchase with signature	\$1.00	
Online bill pay service	\$2.25	Charge for having us send a check to pay a bill on your behalf.
Card to card transfer (to/from your own cards)	\$1.00	
Card to card transfer (to/from any other card member)	\$1.50	
<b>Get cash</b>		
ATM withdrawal, in-network	\$0	"In Network" refers to the MoneyPass® ATM network. Locations can be found at <a href="http://www.abcprepaid.com">www.abcprepaid.com</a> or <a href="http://moneypass.com">moneypass.com</a> . You will not be charged a fee by ABC Prepaid Card or the ATM operator.
ATM withdrawal, out-of-network	\$0.75	"Out of Network" refers to all the ATMs outside of the MoneyPass ATM network. You may also be charged a fee by the ATM operator even if you do not complete a transaction.
Bank teller cash withdrawal	\$1.00	Plus any fee the bank may charge.
Store cash back with PIN purchase	\$0	
<b>Information</b>		
Live agent phone service	\$2.00	per call
ATM balance inquiry, in-network	\$0	"In Network" refers to the MoneyPass® ATM network. Locations can be found at <a href="http://www.abcprepaid.com">www.abcprepaid.com</a> or <a href="http://moneypass.com">moneypass.com</a> . You will not be charged a fee by ABC Prepaid Card or the ATM operator.
ATM balance inquiry, out-of-network	\$0.50	"Out of Network" refers to all the ATMs outside of the MoneyPass ATM network. You may also be charged a fee by the ATM operator even if you do not complete a transaction.
<b>Other</b>		
Overdraft program	Not offered	
Replacement card	\$3.00	
Expedited cash	\$4.95	
Inactivity (no transactions for 3 months)	\$2.75	per month
Check refund	\$0.75	
Paper statement	\$2.00	Fee changes to \$1.00 for any duplicate request for a paper statement made in the same calendar year.
ATM or purchase decline	\$0	
<b>Spend money outside the U.S.</b>		
Each international transaction	2.0%	of total transaction amount
International ATM balance inquiry	\$5.00	
International ATM withdrawal fee	\$5.50	

For more details about prepaid cards, visit [bit.ly/cfpb-prepays](http://bit.ly/cfpb-prepays).

## 6 (Short)

Monthly fee	Cash reload	Per purchase	ATM withdrawal
<b>\$4.95*</b>	<b>\$1.50*</b>	<b>\$0</b> with sig. <b>\$1.00</b> with PIN	<b>\$0</b> in-network <b>\$0.75</b> out-of-network
<hr/>			
ATM balance inquiry (in-network or out-of-network)			\$0 or \$0.50
Live agent phone service			\$1.50 per call
Inactivity (no transactions for 3 months)			\$4.00 per month
Overdraft program			not offered
Online bill pay service			\$1.50
<b>THE FEES BELOW GENERATE SIGNIFICANT REVENUE FOR THIS COMPANY:</b>			
Check refund			\$1.00
ATM or purchase decline			\$1.50
<hr/>			
*Fees can be less depending how and where this card is used.			
<b>We charge 11 other fees not listed here.</b>			
Find details and conditions for all fees by asking the interviewer or: Text <b>FEES</b> to <b>816-287-5333</b> Call <b>816-287-5FEE</b> Visit <b><a href="http://bit.ly/prepays">bit.ly/prepays</a></b>			
Register your card to protect your money.			
For more info about prepaid cards, visit <b><a href="http://bit.ly/cfpb-prepays">bit.ly/cfpb-prepays</a></b> .			

## 6 (Long)

Fee description	Amount	Details
<b>Get started</b>		
Card purchase fee	\$3.95	
<b>Monthly usage</b>		
Monthly fee (with direct deposit)	\$0	
Monthly fee (without direct deposit)	\$4.95	Charge waived in any billing cycle when you load at least \$1,000 or have at least 30 qualifying purchases posted to your account.
<b>Add money</b>		
Direct deposit	\$0	
Cash reload	\$1.50	Additional reload network fees may apply.
<b>Spend money within the U.S.</b>		
Each purchase with PIN	\$1.00	The combined total of Transaction Fees and International Transaction Fees is limited to \$10.00 in each calendar month and is based on the date the transaction is posted to your account as reflected on your statement.
Each purchase with signature	\$0	
Online bill pay service	\$1.50	Charge for having us send a check to pay a bill on your behalf.
Card to card transfer (to/from your own cards)	\$0	
Card to card transfer (to/from any other card member)	\$1.00	
<b>Get cash</b>		
ATM withdrawal, in-network	\$0	"In Network" refers to the MoneyPass® ATM network. Locations can be found at <a href="http://www.abcprepaid.com">www.abcprepaid.com</a> or <a href="http://moneypass.com">moneypass.com</a> . You will not be charged a fee by ABC Prepaid Card or the ATM operator.
ATM withdrawal, out-of-network	\$0.75	"Out of Network" refers to all the ATMs outside of the MoneyPass ATM network. You may also be charged a fee by the ATM operator even if you do not complete a transaction.
Bank teller cash withdrawal	\$1.00	Plus any fee the bank may charge.
Store cash back with PIN purchase	\$0	
<b>Information</b>		
Live agent phone service	\$1.50	per call
ATM balance inquiry, in-network	\$0	"In Network" refers to the MoneyPass® ATM network. Locations can be found at <a href="http://www.abcprepaid.com">www.abcprepaid.com</a> or <a href="http://moneypass.com">moneypass.com</a> . You will not be charged a fee by ABC Prepaid Card or the ATM operator.
ATM balance inquiry, out-of-network	\$0.50	"Out of Network" refers to all the ATMs outside of the MoneyPass ATM network. You may also be charged a fee by the ATM operator even if you do not complete a transaction.
<b>Other</b>		
Overdraft program	Not offered	
Replacement card	\$5.00	
Expedited card replacement	\$24.95	
Expedited cash	\$5.95	
Inactivity (no transactions for 3 months)	\$4.00	per month
Check refund	\$1.00	
Paper statement	\$1.00	Fee changes to \$1.00 for any duplicate request for a paper statement made in the same calendar year.
ATM or purchase decline	\$1.50	
<b>Spend money outside the U.S.</b>		
Each international transaction	3.0%	of total transaction amount
International ATM balance inquiry	\$4.75	
International ATM withdrawal fee	\$4.50	

For more details about prepaid cards, visit [bit.ly/cfpb-prepays](http://bit.ly/cfpb-prepays).

## 7 (Short)

Monthly fee	Cash reload	Per purchase	ATM withdrawal
<b>\$4.95*</b>	<b>\$1.75*</b>	<b>\$0</b> with sig. <b>\$1.00</b> with PIN	<b>\$0</b> in-network <b>\$0.50</b> out-of-network
<hr/>			
ATM balance inquiry (in-network or out-of-network)			\$0 or \$0.50
Live agent phone service			\$1.00 per call
Inactivity (no transactions for 3 months)			\$4.50 per month
Overdraft program			not offered
Online bill pay service			\$1.75
<b>THE FEES BELOW GENERATE SIGNIFICANT REVENUE FOR THIS COMPANY:</b>			
Check refund			\$1.00
Bank teller withdrawal			\$1.00
<hr/>			
*Fees can be less depending how and where this card is used.			
<b>We charge 9 other fees not listed here.</b>			
Find details and conditions for all fees by asking the interviewer or: Text <b>FEES</b> to <b>816-287-5333</b> Call <b>816-287-5FEE</b> Visit <b><a href="http://bit.ly/prepays">bit.ly/prepays</a></b>			
Register your card to protect your money.			
For more info about prepaid cards, visit <b><a href="http://bit.ly/cfpb-prepays">bit.ly/cfpb-prepays</a></b> .			

## 7 (Long)

Fee description	Amount	Details
<b>Get started</b>		
Card purchase fee	\$4.25	
<b>Monthly usage</b>		
Monthly fee (with direct deposit)	\$0	
Monthly fee (without direct deposit)	\$4.95	Charge waived in any billing cycle when you load at least \$1,000 or have at least 30 qualifying purchases posted to your account.
<b>Add money</b>		
Direct deposit	\$0	
Cash reload	\$1.75	Additional reload network fees may apply.
<b>Spend money within the U.S.</b>		
Each purchase with PIN	\$1.00	The combined total of Transaction Fees and International Transaction Fees is limited to \$10.00 in each calendar month and is based on the date the transaction is posted to your account as reflected on your statement.
Each purchase with signature	\$0	
Online bill pay service	\$1.75	Charge for having us send a check to pay a bill on your behalf.
Card to card transfer (to/from your own cards)	\$5.00	
Card to card transfer (to/from any other card member)	\$5.00	
<b>Get cash</b>		
ATM withdrawal, in-network	\$0	"In Network" refers to the MoneyPass® ATM network. Locations can be found at <a href="http://www.abcprepaid.com">www.abcprepaid.com</a> or <a href="http://moneypass.com">moneypass.com</a> . You will not be charged a fee by ABC Prepaid Card or the ATM operator.
ATM withdrawal, out-of-network	\$0.50	"Out of Network" refers to all the ATMs outside of the MoneyPass ATM network. You may also be charged a fee by the ATM operator even if you do not complete a transaction.
Bank teller cash withdrawal	\$1.00	Plus any fee the bank may charge.
Store cash back with PIN purchase	\$0	
<b>Information</b>		
Live agent phone service	\$1.00	per call
ATM balance inquiry, in-network	\$0	"In Network" refers to the MoneyPass® ATM network. Locations can be found at <a href="http://www.abcprepaid.com">www.abcprepaid.com</a> or <a href="http://moneypass.com">moneypass.com</a> . You will not be charged a fee by ABC Prepaid Card or the ATM operator.
ATM balance inquiry, out-of-network	\$0.50	"Out of Network" refers to all the ATMs outside of the MoneyPass ATM network. You may also be charged a fee by the ATM operator even if you do not complete a transaction.
<b>Other</b>		
Overdraft program	Not offered	
Replacement card	\$4.00	
Inactivity (no transactions for 3 months)	\$4.50	per month
Check refund	\$1.00	
Paper statement	\$1.00	Fee changes to \$1.00 for any duplicate request for a paper statement made in the same calendar year.
ATM or purchase decline	\$1.00	
<b>Spend money outside the U.S.</b>		
Each international transaction	2.5%	of total transaction amount
International ATM balance inquiry	\$5.25	
International ATM withdrawal fee	\$4.50	

For more details about prepaid cards, visit [bit.ly/cfpb-prepays](http://bit.ly/cfpb-prepays).

Fee description	Amount	Details
<b>Get started</b>		
Card purchase fee	\$3.95	
<b>Monthly usage</b>		
Monthly fee (with direct deposit)	\$0	
Monthly fee (without direct deposit)	\$2.50	Charge waived in any billing cycle when you load at least \$1,000 or have at least 30 qualifying purchases posted to your account.
<b>Add money</b>		
Direct deposit	\$0	
Cash reload	\$2.00	Additional reload network fees may apply.
<b>Spend money within the U.S.</b>		
Each purchase with PIN	\$2.00	The combined total of Transaction Fees and International Transaction Fees is limited to \$10.00 in each calendar month and is based on the date the transaction is posted to your account as reflected on your statement.
Each purchase with signature	\$1.00	
Online bill pay service	\$2.00	Charge for having us send a check to pay a bill on your behalf.
Card to card transfer (to/from your own cards)	\$3.00	
Card to card transfer (to/from any other card member)	\$4.00	
<b>Get cash</b>		
ATM withdrawal, in-network	\$0.50	"In Network" refers to the MoneyPass® ATM network. Locations can be found at <a href="http://www.abcprepaid.com">www.abcprepaid.com</a> or <a href="http://moneypass.com">moneypass.com</a> . You will not be charged a fee by ABC Prepaid Card or the ATM operator.
ATM withdrawal, out-of-network	\$1.50	"Out of Network" refers to all the ATMs outside of the MoneyPass ATM network. You may also be charged a fee by the ATM operator even if you do not complete a transaction.
Bank teller cash withdrawal	\$1.00	Plus any fee the bank may charge.
Store cash back with PIN purchase	\$0	
<b>Information</b>		
Live agent phone service	\$1.75	per call
ATM balance inquiry, in-network	\$0	"In Network" refers to the MoneyPass® ATM network. Locations can be found at <a href="http://www.abcprepaid.com">www.abcprepaid.com</a> or <a href="http://moneypass.com">moneypass.com</a> . You will not be charged a fee by ABC Prepaid Card or the ATM operator.
ATM balance inquiry, out-of-network	\$1.00	"Out of Network" refers to all the ATMs outside of the MoneyPass ATM network. You may also be charged a fee by the ATM operator even if you do not complete a transaction.
<b>Other</b>		
Overdraft program	Not offered	
Replacement card	\$4.00	
Expedited card replacement	\$24.95	
Expedited cash	\$7.95	
Inactivity (no transactions for 3 months)	\$2.50	per month
Check refund	\$1.00	
Paper statement	\$1.00	Fee changes to \$1.00 for any duplicate request for a paper statement made in the same calendar year.
ATM decline, in-network	\$0	"In Network" refers to the MoneyPass® ATM network. Locations can be found at <a href="http://www.abcprepaid.com">www.abcprepaid.com</a> or <a href="http://moneypass.com">moneypass.com</a> . You will not be charged a fee by ABC Prepaid Card or the ATM operator.
ATM decline, out-of-network	\$0.50	"Out of Network" refers to all the ATMs outside of the MoneyPass ATM network. You may also be charged a fee by the ATM operator even if you do not complete a transaction.
<b>Spend money outside the U.S.</b>		
Each international transaction	3.0%	of total transaction amount
International ATM balance inquiry	\$5.00	
International ATM withdrawal fee	\$5.00	

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Fee description	Amount	Details
<b>Get started</b>		
Card purchase fee	\$3.50	
<b>Monthly usage</b>		
Monthly fee (with direct deposit)	\$2.50	
Monthly fee (without direct deposit)	\$4.95	Charge waived in any billing cycle when you load at least \$1,000 or have at least 30 qualifying purchases posted to your account.
<b>Add money</b>		
Direct deposit	\$0	
Cash reload	\$1.75	Additional reload network fees may apply.
<b>Spend money within the U.S.</b>		
Each purchase with PIN	\$1.00	The combined total of Transaction Fees and International Transaction Fees is limited to \$10.00 in each calendar month and is based on the date the transaction is posted to your account as reflected on your statement.
Each purchase with signature	\$0	
Online bill pay service	\$2.25	Charge for having us send a check to pay a bill on your behalf.
Card to card transfer (to/from your own cards)	\$0	
Card to card transfer (to/from any other card member)	\$1.00	
<b>Get cash</b>		
ATM withdrawal, in-network	\$0	"In Network" refers to the MoneyPass® ATM network. Locations can be found at <a href="http://www.abcprepaid.com">www.abcprepaid.com</a> or <a href="http://moneypass.com">moneypass.com</a> . You will not be charged a fee by ABC Prepaid Card or the ATM operator.
ATM withdrawal, out-of-network	\$1.00	"Out of Network" refers to all the ATMs outside of the MoneyPass ATM network. You may also be charged a fee by the ATM operator even if you do not complete a transaction.
Bank teller cash withdrawal	\$1.25	Plus any fee the bank may charge.
Store cash back with PIN purchase	\$0	
<b>Information</b>		
Live agent phone service	\$2.00	per call
ATM balance inquiry, in-network	\$0	"In Network" refers to the MoneyPass® ATM network. Locations can be found at <a href="http://www.abcprepaid.com">www.abcprepaid.com</a> or <a href="http://moneypass.com">moneypass.com</a> . You will not be charged a fee by ABC Prepaid Card or the ATM operator.
ATM balance inquiry, out-of-network	\$1.00	"Out of Network" refers to all the ATMs outside of the MoneyPass ATM network. You may also be charged a fee by the ATM operator even if you do not complete a transaction.
<b>Other</b>		
Overdraft program	Not offered	
Replacement card	\$3.00	
Inactivity (no transactions for 3 months)	\$2.75	per month
Check refund	\$2.00	
Paper statement	\$2.00	Fee changes to \$1.00 for any duplicate request for a paper statement made in the same calendar year.
ATM decline, in-network	\$0	"In Network" refers to the MoneyPass® ATM network. Locations can be found at <a href="http://www.abcprepaid.com">www.abcprepaid.com</a> or <a href="http://moneypass.com">moneypass.com</a> . You will not be charged a fee by ABC Prepaid Card or the ATM operator.
ATM decline, out-of-network	\$0.75	"Out of Network" refers to all the ATMs outside of the MoneyPass ATM network. You may also be charged a fee by the ATM operator even if you do not complete a transaction.
<b>Spend money outside the U.S.</b>		
Each international transaction	1.0%	of total transaction amount
International ATM balance inquiry	\$2.00	
International ATM withdrawal fee	\$1.50	

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ICF International  
9300 Lee Highway  
Fairfax, VA 22031