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June 14, 2011 08:00 AM Eastern Daylight Time

American Express Gives Consumers Fee Freedom with Revolutionary Prepaid Card

American Express Launches Best in Class Everyday Payment Card with No Monthly, Recurring or Maintenance Fees

Smarter Spending and Budgeting Is Now Within Reach For Millions of Consumers

NEW YORK--(BUSINESS WIRE)--In an industry game changing move, American Express (NYSE: AXP) today announced a best in class reloadable prepaid card with no activation or maintenance fees. With the launch of the American Express® Prepaid Card, American Express is providing a smarter spending and budgeting payment option to millions of consumers, while creating an unprecedented standard in the prepaid category. With this new, consumer-friendly everyday payment card, American Express will further serve new customer segments that do not rely on traditional charge and credit cards to manage their day-to-day finances.

"We created a simple, transparent and easy-to-use everyday payment card to address a real pain point that consumers have with existing prepaid products in the market that are laden with fees and confusing terms including monthly and maintenance fees," said Dan Schulman, group president of American Express' Enterprise Growth Group. "We believe giving consumers freedom from fees with a best in class option from American Express will set a new standard for the \$36 billion open loop U.S. prepaid industry."

"We listened to our Cardmembers and customers who told us that although they enjoyed the benefits of a prepaid card—safer than cash, no impact to their credit, no risk of overdraft—they felt having monthly and other maintenance fees undermined the value of the prepaid card. So the feedback from our Cardmembers really helped make a good product, great. We stripped away the nuisance fees and designed an everyday payment card with superb customer service and benefits," added Schulman.

Unlike other prepaid reloadable cards, there are no fees for purchasing the Card online, monthly maintenance, activation, balance inquiries, alerts, Card replacement, foreign currency conversion or loading via bank account. The funds on the Card do not expire, and if lost or stolen, the funds can be replaced. The first monthly ATM cash withdrawal is free, after which a \$2.00 fee applies (bank network charges may also apply).

Choosing to use the American Express Prepaid Card also means that Cardmembers will enjoy the exceptional customer service they have come to expect from American Express. American Express Company was ranked "Highest in Customer Satisfaction among Credit Card Companies," for the fourth consecutive year, by the J.D. Power and Associates in the *2010 Credit Card Satisfaction Study*.¹

The American Express Prepaid Card is a prepaid reloadable Card that's a safer form of currency. The Card is available online at www.americanexpress.com/prepaid. Funds can be loaded through a bank account such as a savings or checking account and through cash loading via MoneyPak*. There is no fee for loading via bank account. At initial order, no funding source is required so consumers can order a Card and decide to load it later.

Unlike other payment options, the Card offers Cardmembers the ability to create, manage and specify additional user Cards for others such as family members, colleagues, babysitters and contractors. Through the trusted American Express brand, Cardmembers can use the Card for online and offline commerce, from gas to groceries. The American Express Prepaid Card can be used anywhere that accepts American Express Cards.

American Express is partnering with Consumer Action, a consumer education and advocacy organization, to launch a national program that will educate thousands of consumers about prepaid cards, including co-producing education materials for consumers on how to compare and select a prepaid card and how to use prepaid cards. The extensive program will kick off later this year.

"After being the first major universal gift card issuer to eliminate back end fees on our gift cards to today's game-changing announcement, American Express is committed to providing consumer-friendly payment options across our prepaid portfolio"

"Reloadable prepaid cards are increasingly becoming the payment product of choice for consumers," said Ken McEldowney, executive director, Consumer Action. "Through this consumer education program, we hope to better explain to consumers how they can select and use prepaid cards as effective financial management tools in their everyday lives, thus eliminating surprises, in the form of unknown fees and confusing terminology, for consumers."

Online management tools provide controls and full transparency for how the Card is being used.

Cardmembers can:

- View real-time transaction history and monitor spending.
- Receive email or text alerts for low funds or notifications when a transaction has occurred. (Check with your mobile service provider for fees that may apply to text messages.)
- Disable/enable ATM access for the Card.
- Inquire about Card balance 24 hours a day/7 days a week.
- Schedule reloading of funds automatically.

Cardmembers are entitled to valuable protections and benefits (subject to terms and conditions**), including:

- Purchase Protection² which can protect against accidental damage or theft of eligible items for 90 days from date of purchase, up to \$1,000 per occurrence and up to \$50,000 per Cardmember account per calendar year.
- Roadside Assistance which provides dispatch services including towing, battery recharge, gas delivery, locksmith service and changing a flat tire.
- Global Assist[®] Hotline provides trip planning assistance as well as emergency assistance when the Cardmember is traveling more than 100 miles from home.
- Exceptional 24-7 customer service Cardmembers have come to expect from American Express.
- American Express Selects for Cardmember discounts at select merchants.

"After being the first major universal gift card issuer to eliminate back end fees on our gift cards to today's game-changing announcement, American Express is committed to providing consumer-friendly payment options across our prepaid portfolio," said Alpesh Chokshi, President of Global Payment Options. "As we look for ways to improve customers' lives through payments, we believe that prepaid cards, like the American Express Prepaid Card, are an ideal solution for better financial management and budgeting."

American Express is also removing monthly fees, the first ATM withdrawal fee per month and foreign currency conversion fees from PASS, a prepaid reloadable card for parents to give teens. For more information about PASS, visit www.americanexpress.com/pass.

About American Express

American Express is a global services company, providing customers with access to products, insights and experiences that enrich lives and build business success. Learn more at americanexpress.com and connect with us on facebook.com/americanexpress, twitter.com/americanexpress and youtube.com/americanexpress.

*Retail fees apply for cash loading.

** Terms, conditions and restrictions apply. Visit [product](#) website for more details.

¹ American Express received the highest numerical score among credit card issuers in the proprietary J.D. Power and Associates 2010 Credit Card Satisfaction StudiesSM. The 2010 U.S. Credit Card Satisfaction Study is based on responses from more than 8,500 credit card customers. The proprietary study results are based on experiences and perceptions of consumers surveyed in May and June 2010. Your experiences may vary. Visit jdpower.com.

² Purchase Protection is underwritten by AMEX Assurance Company, Administrative Office, Phoenix, AZ. Coverage is determined by the terms, conditions, and exclusions of Policy AX0951 or Policy PP-IND and is subject to change with notice. This document does not supplement or replace the Policy.


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