

Research shows 'card-less' consumers are missing out on cheap online deals. Internet exclusion continues to hamper the lower social classes...

London, UK

12 April 2007

According to research released today, over half (52%) of consumers who don't have a credit or debit card for shopping online think they are being excluded from the cheaper deals available on the internet. Currently, one in five consumers in the UK (18 percent) do not have a credit or debit card that is accepted over the internet, and 85% of those that do not are social class C and below.

"It is ridiculous that often the worst off consumers in the UK are the ones restricted from taking advantage of the cost benefits the internet has to offer", said Jamie King, Director, IDT Finance. "With the average saving being over 25% , the benefits offered by Internet shopping are huge, and even more significant for those on a low income. But unless people have a suitable credit or debit card, they are unable to take advantage of these savings".

"From our heritage in the prepaid calling card market, we are fully aware of the benefits prepaid offerings can bring to socially-excluded consumers. We have developed the Prime prepaid MasterCard as a solution for otherwise card-less consumers, allowing anyone to access the benefits of plastic. Customers do not need to have a bank account or good credit rating to get a Prime Card, they can buy it over-the-counter at their local store as easily as buying a bar of chocolate".

Tracey Crozier, an IDT Prime Card user, said: "Internet shopping has been a major source of frustration for me in the past. I could see all the great deals but could never buy them. For example, competition among online insurance providers is high and you can get really good deals if you shop online, but if you have no access to suitable plastic you have to go through the local broker's office and their fees are astronomical – almost twice the price".

According to the study conducted by ICM Research at the end of March 2007 and released by IDT Finance today, 70% of Internet users believe missing out on cheaper goods is the main disadvantage of not being able to purchase online; this was followed by 65% believing they were missing out on more choice.

Additional benefits being missed, cited by more than 50% of internet users, included; a more relaxed approach to shopping (59%), access to more informed decision making online (59%), delivery of goods to home (56%) and 24 hour access (55%). In fact, only 11% of Internet users felt there were no benefits being missed out on by not being able to shop online.

Prime Card is the UK's first, instant issue prepaid MasterCard offering all consumers easy and immediate access to plastic. The IDT Prime Card can be purchased over-the-counter at over 3,000 local high-street convenience stores displaying the PayPoint and e-pay signs throughout London. As a disposable card, it also serves as an excellent solution to online fraud.

The card can be loaded on purchase with a value between £10 and £150 (up to £500 if purchased online) at a cost of £3 per card and is accepted in over 24.8 million outlets worldwide - wherever the MasterCard® acceptance mark is displayed.

The research was undertaken by ICM in March 2007. 1025 consumers were interviewed over the telephone, 492 male and 533 female. 752 consumers were internet users.

About IDT and Prime Card

IDT Finance is part of IDT Europe, a division of IDT Telecom, which itself is a wholly owned subsidiary of IDT Corporation. IDT Europe is headquartered in London, with offices in 18 European countries. IDT Europe concentrates its expertise in prepaid cards, wholesale carrier services, payment products and prepaid mobile.

In December 2006, IDT announced the launch of its Prime Card, the UK's first instant issue, prepaid MasterCard® card, which can be purchased over-the-counter with no forms or burdensome documentation. The Prime Card can be used to make purchases in-store, over the phone and online.

Prime Card has broad appeal for consumers:

- σ Gives the benefits of plastic to the “unbanked” and migrant communities
- σ Versatile gift card, accepted everywhere and safer than giving cash
- σ A safe and secure way for parents to give their children pocket money
- σ Reduced risk of identity theft as the card is disposable

The Prime Card is currently available for sale to adults over 18, but there are no age restrictions on use. The card can be loaded on purchase with a value between £10 and £150 or up to £500 if purchased online. There is a £3 fee on the purchase of any card. Per-transaction fees apply.