

Cardholders more likely to keep using a card than to recommend it, survey reveals



Credit cardholders may realize there could be a better credit card option out there, but still say they aren't likely to make a switch.

In October 2019, CardRatings.com surveyed more than 1,500 cardholders across 65 credit cards for its annual [Best Credit Cards list](#). The survey asked respondents to rate their respective cards across a number of categories including value of rewards/features, customer service, ease of use of mobile apps/website, likelihood of continuing to use for a year and likelihood of recommending to a friend.

Across all the surveyed cards, respondents say they are likely to recommend the card to a friend; however, for 92% cards surveyed, respondents are more likely to continue using their card than they are to recommend that specific card to a friend, family member or co-worker.

Brooklyn Lowery, senior manager of CardRatings.com, explains the data could suggest people are complacent with their cards and might not be getting all they know they could be out of a credit card. It's a pattern credit card experts routinely caution against.

"It was remarkable to see that for nearly every card and across very different card types – rewards, balance transfer, student, it didn't matter – survey respondents scored 'likely to keep using the card' more highly than they did 'would recommend to a friend,'" Lowery explains. "There are myriad reasons a person might keep using a card even if they wouldn't recommend it, but the data could also indicate simple complacency – you aren't excited about recommending the card, but you'll keep using it anyway."

That complacency could cost you, Lowery continues. As income, stage of life, family makeup, lifestyle and more change, the credit card in your wallet could likely benefit from a change, too. For instance, the card offering you sky-high gas rewards might have worked well when you were commuting to and from your last job, but now that you work from home, those gas rewards aren't really adding up.

For only one surveyed card – The World Of Hyatt Credit Card – do survey respondents rate their likelihood of recommending it to a friend (averaging an 8.7 on a scale of 1-10) more highly than their likelihood of continuing to use the card for at least the next year (an 8.0 on a 1-10 scale).

Four other cards, however, carry identical averages for those two questions. Cardholders of The Platinum Card® from American Express, the Bank of America® Business Advantage Cash Rewards Mastercard® credit card, the Ink Business UnlimitedSM Credit Card and the American Express® Business

Gold Card all rate their likelihood of continuing to use the card the same as their likelihood of recommending it to a friend.

While it's understandable for a small business owner to want to stick with the same card for a long time, it still isn't necessarily a best practice, Lowery cautions.

"A small business' credit card needs may not change as frequently as personal circumstances do, so business owners can, in some cases, plan on using the same credit card for quite some time," Lowery explains. "However, your business will hopefully grow and maybe even expand into new areas. When that happens, you need to be thinking about whether a new or additional credit card could mean extra rewards, protections or features for your business spending."

How do you know it's time for a new credit card?

Lowery recommends carefully considering your financial situation as it relates to your credit cards at least once a year as well as any time there's a major shift in your income or lifestyle.

"If you are like the survey respondents and realize you're still using a card you wouldn't recommend to someone else, that's probably a good indication that you need to start doing some research into a new credit card for yourself," Lowery reasons.

Applying for a new credit card will impact your credit score, as will closing accounts you're no longer using. For that reason, Lowery says, do your research before submitting applications and only apply for cards for which you truly expect to qualify; furthermore, don't abruptly close the old accounts.

Those old accounts lengthen the age of your credit history, something that reflects positively on your credit report. They also increase your overall available credit, which can also reflect positively on your report.

"Unless you're paying an annual fee on a card you aren't using at all, it's likely best to keep those old cards open even if you aren't using them," Lowery says. "Move on to a new card and take full advantage of those new rewards and features, but keep the old one in a drawer so you maintain a lengthy credit history and credit utilization buffer."

A final word on recommending credit cards to a friend

The survey indicates that respondents are overwhelmingly willing to recommend a card they already have to a friend; beyond being a helpful thing to do, it could also be lucrative.

A number of major rewards credit cards offer rewards bonuses when current cardholders recommend a card to someone and that person is then approved for the card through a personalized application link.

"Credit card companies are very interested in maintaining the business of their top customers and they expect that those top customers know people who could become top customers," Lowery explains.

As with anything in the credit card space, do your research before applying yourself or recommending a card to friend.

Methodology: CardRatings commissioned Op4G in October 2019 to conduct surveys among 1,514 cardholders nationwide. At least 25 cardholders for each of 65 credit cards were polled. CardRatings website analytics from Jan. 1, 2019-Aug. 31, 2019 were used to determine a selection of the most popular cards and additional cards were added to fill out categories. Responses to each of nine questions were given on a scale of 1-10 and respondents' scores were then averaged under broad topics.