

Prepaid Cards: The Consumer

Prepaid Cards and the New Rules of the Road

Prepaid Card Uses: How Do Consumers Actually Use Prepaid?

- Budgeting
- Avoid Overdraft
- Allows consumers to engage in e-commerce, online bill payments, remote deposit capture & access to other convenient technologies

Prepaid Card Limitations

- Access to Credit
- Savings Capabilities
- Bill Pay

Prepaid Card Sources

- Government
- Employer
- Retailer: Brick & Mortar (big box, convenience)
- Online
- Banks, Credit Unions

Prepaid Card Surveys

Pew Prepaid Survey 2014

Survey findings of over 600 respondents who use prepaid card(s) at least once a month

Card Ratings

- [Consumers Union 2014 report rating prepaid cards](#)
26 cards based on Value, Convenience, Safety and Fee Accessibility and Clarity
- [Cardhub Prepaid Card Report 2014](#)
Comparisons for 4 use types: 1. Checking account alternative; 2. Child's allowance; 3. Check cashing tool; 4. Online use
- [Nerd Wallet Prepaid Debit Card Comparison Tool:](#)
Based on Fee (Duration of Use, Usage & Reload Fees)
- [Bankrate](#)
Comparison of 30 prepaid cards based on monthly, activation, and ATM use fees

Remaining Prepaid Concerns for Consumers

- FDIC/NCUA Insurance

FDIC [General Counsel's Opinion No. 8](#)

Treasury Prepaid Card Interim Rule [31 CFR Part 210](#)

- Fees

CFPB does not have jurisdiction

[The Prepaid Card Consumer Protection Act of 2013](#)

- Credit

Relationship/arrangements with credit

Other resources

- [*Prepaid Cards: Second-Tier Bank Substitutes*](#), Michelle Jun, Consumers Union (2010).
- [*Consumers' Use of Prepaid Cards: A Transaction-Based Analysis*](#), Federal Reserve Bank of Philadelphia, Wilshusen et. al (2012).
- [*General Purpose Reloadable Prepaid Cards: Penetration, Use, Fees, and Fraud Risks*](#), Fumiko Hayashi and Emily Cuddy (February 2014).

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