

## JUSTIFICATION FOR A NO MATERIAL NON-SUBSTANTIVE CHANGE

### TELEPHONE SURVEY EXPLORING CONSUMER AWARENESS OF AND PERCEPTIONS REGARDING DISPUTE RESOLUTION PROVISIONS IN CREDIT CARD AGREEMENTS

(OMB NO. 3170-0046)

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The Bureau is requesting permission to make a non-substantive modification to the Arbitration Study's telephone survey of credit card holders. Our contractor proposes adding three questions at the beginning of our survey, which we believe will help with response rates. To emphasize the non-substantive nature of this request, we would not even retain data relating to consumers' answers.

As you may recall, we are conducting a telephone survey of 1,000 credit card holders. Accordingly, our first question is: *Do you have a credit card for your personal use? Do not include debit cards, prepaid cards, or cards used mostly for business purposes. Also, do not include cards that can only be used at one store. [Yes, no, don't know, refuse]*

We have been in the field for about four weeks now and over 55% of our respondents have stated that they do not have a credit card that they use for personal use. That's almost [twice the rate](#) estimated by the Federal Reserve Bank of Boston's most recent estimates, as well as a recent Gallup survey (which find that only 28-29% of consumers don't have credit cards).

Our contractor has raised the possibility that consumers are answering "no" to our first question to end their participation in the survey. Accordingly, they suggest that we add three questions to the beginning of the survey, which will help de-emphasize the importance of the credit card question and its acting as a gateway for further participation in the survey.

In particular, we suggest asking consumers:

- A. *Have you made a cash purchase of over ten dollars in the last week? [Yes, no, don't know, refuse]*
- B. *Have you used a gift card or gift certificate in the last year? [Yes, no, don't know, refuse]*
- C. *Do you have a checking account for your personal use? [Yes, no, don't know, refuse]*

Each of these questions draw on the consumers' personal knowledge of recent events, so they should pose little burden to consumer respondents. The three proposed questions involve minimal privacy issues, due to their general nature. And, to emphasize the non-substantive nature of these new questions, I would instruct our contractors to not retain consumers' answers to these three questions after they aggregate each interviewers' data.

The change would hopefully help us improve response rates and get back on schedule. We had originally projected that the survey would be out of the field by the end of this month, but that estimate may have to change.