


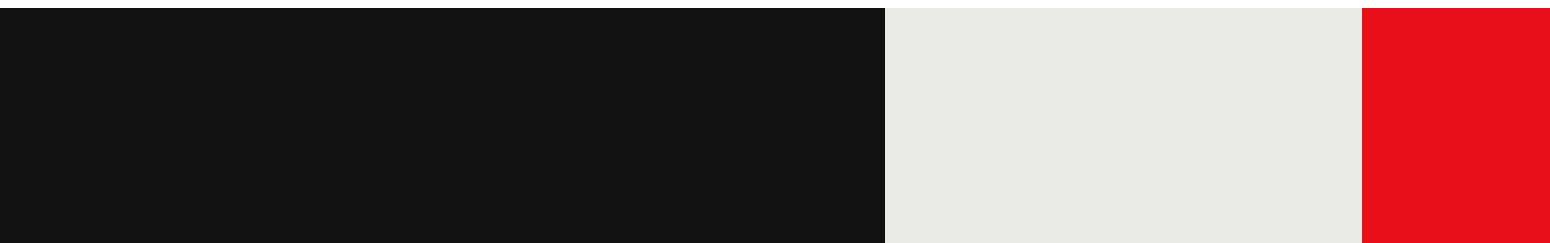
Wells Fargo taps credit-averse customers with Reflect card

Article



The news: Wells Fargo unveiled the Reflect card, a no-annual-fee credit card with an 18-month introductory 0% APR on purchases and balance transfers, per a press release.

Here's how it works: The Reflect card extends the 0% APR offer for an extra three months if customers make their minimum monthly payments on time for the first 18 months.



Other features include cell phone protection when customers use their card to pay their monthly cell phone bill and fraud protection. Cardholders can also earn cash back in the form of statement credits through the My Wells Fargo Deals rewards program.

The opportunity: The Reflect card can help Wells Fargo tap credit-averse customers who may normally use other interest-free or flexible payments solutions to encourage spending on its cards.

Avoiding interest is a top driver of debit and buy now, pay later (BNPL) use: In 2020, **40% of US consumers** said they used BNPL solutions to avoid paying credit card interest, [according to](#) The Motley Fool. And another **53% of US consumers** said they used debit cards because they wanted to pay with funds they had available at the time of purchase and avoid debt, [per](#) PYMNTS.

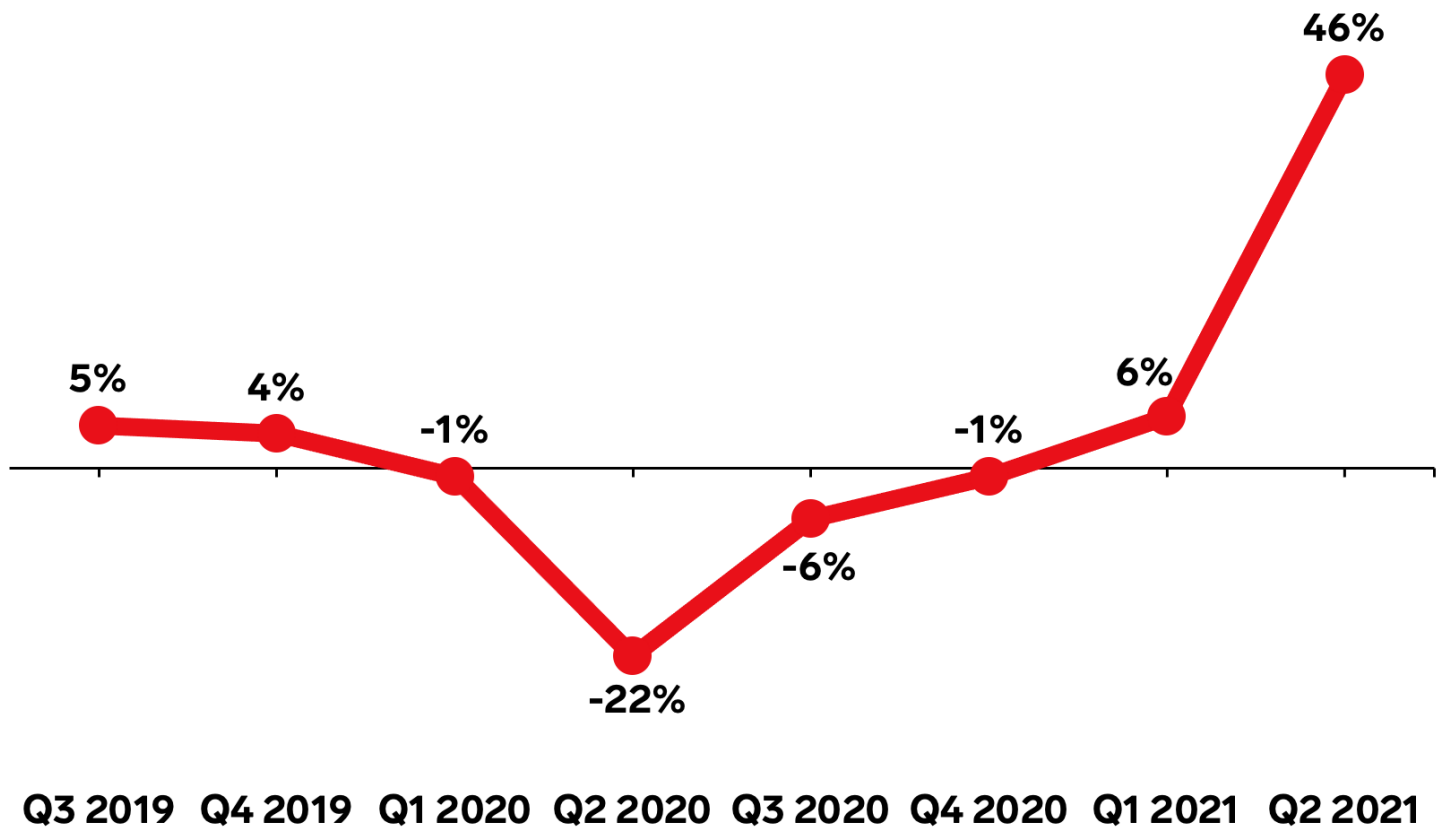
- Reflect can help Wells Fargo attract new customers and stop its market share from being eroded by fintechs like digital bank **Upgrade**—which helps customers build credit with a fee-free low-interest credit card that has a built-in installment payment plan. Upgrade’s flexible card was pegged as the fastest-growing US credit card by outstandings, [per](#) The Nilson Report.
- Wells Fargo can also use the Reflect card to keep up with **JPMorgan Chase**, which [introduced](#) Slate Edge, a credit card that gives customers who pay on time automatic consideration for 2% APR reductions each year and a credit line increase.

The bigger picture: Wells Fargo has been optimizing its business to focus on sectors with strong revenue-generating potential, like credit cards.

- In June, the issuer [introduced](#) the Active Cash card—which offers unlimited 2% cash rewards on purchases and an introductory 0% APR for 15 months—as part of a broader line of credit card products rolling out next year.
- And in August, Wells Fargo [said](#) it would no longer offer personal lines of credit to new customers—a move that can drive traffic to its credit cards.

Related Content: *Want to learn more about the tactics issuers are using to invigorate credit card spending? Check out the [“Credit Cards in the ‘Next Normal’”](#) report.*

Wells Fargo Credit Card Point-of-Sale Purchase Volume Growth



Note: Year-over-year growth

Source: Wells Fargo, 2021

Methodology: This data is from Wells Fargo's quarterly earnings presentations.

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