

Wells Fargo plays up rewards with new Autograph card

Article

The news: Wells Fargo introduced the Autograph Visa card, a no-annual-fee credit card that offers 3X points on restaurants, travel, gas stations, transit, streaming services, and phone plans, per a press release. Cardholders get 1X points on all other purchases.

The card also has mobile phone protection and zero-liability fraud protection. Cardholders can earn 30,000 bonus points when they spend \$1,500 in their first three months.

Key context: Since CEO Charlie Scharf took the helm in 2020, Wells Fargo has introduced new cards to help optimize business and improve its standing in the credit card space. Wells Fargo ranked among the top three debit card issuers in 2020, but it stood at No. 8 in the credit card market, according to the Nilson Report.

Last summer, Wells Fargo **launched** the Active Cash Card, another zero-annual-fee credit card that offers unlimited 2% cash back on all purchases. And it **introduced** the Reflect Card in October, which offers no annual fee and an 18-month introductory 0% APR on purchases and balance transfers—the offer is extended another three months if cardholders make their monthly minimum payments on time during the first 18 months.

Wells Fargo's opportunity: The Autograph card can help Wells Fargo better compete with issuers that offer rewards-heavy cards. For instance, Chase's Freedom Flex card—which was the **top** no-annual-fee rewards credit card in our US Cash-Back Emerging Features Benchmark Survey—lets users earn 3% cash back on dining and other categories.

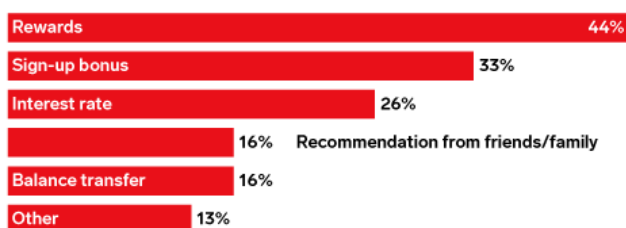
Wells Fargo can attract more customers and rake in more spending by honing in on rewards, which **44% of US consumers cited as their top reason for switching credit cards** during the pandemic, **per** a 2022 LendingTree survey.

The bigger picture: Despite strong credit card spending in **Q1**, recession worries could hurt spending in the next year—consumer sentiment has already **fallen** steeply.

Many consumers tend to lean on debit cards more during times of economic uncertainty, as we saw in the early months of the pandemic. But consumers may be more inclined to keep spending with credit cards that let them earn more for their purchases, like Wells Fargo's latest card.

Reasons US Adults Applied for a New Credit Card During the Coronavirus Pandemic, Feb 2022

% of respondents



Note: n=400 ages 18+; among those who applied for new credit cards during the coronavirus pandemic
Source: LendingTree survey conducted by Qualtrics as cited in company blog, March 8, 2022

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