APR & AER

Money

The standardised rates, and why the headline rate is not comparable.

Standardised measures exist so products can be compared honestly.

Measure	Used for	Includes
APR	Borrowing	Interest plus compulsory fees
Representative APR	Advertising	Only 51% of customers need get it
AER	Savings	Effect of compounding
Gross rate	Savings	Before tax, before compounding
Net rate	Savings	After tax
Monthly rate	Cards	× 12 is NOT the APR

'Representative' APR means at least 51% of accepted customers receive it. Your actual rate can be much higher.