

A Gem of a Credit Card – TDECU’s Onyx Card One-of-a-Kind in CU Industry



Ron Wright can tell you that creating a card brand takes ingenuity, innovation, and expertise, along with patience and commitment. Wright is vice president of payment systems for Texas Dow Employees Credit Union (TDECU) of

Lake Jackson, Texas. Having a Platinum card wasn't enough for his \$1.5 billion credit union, so it created a one-of-a-kind, TDECU-branded credit card that could compete against the likes of American Express and Discover.

Known as the Onyx Card, TDECU worked with its card processor, TNB Card Services, to develop a “supercharged” elite card product that blends revolving and non-revolving credit to offer Triple the Buying Power™. A cardholder with a \$10,000 credit limit can access up to three times the line of credit, for purchasing power up to \$30,000. The first \$10,000 consists of a revolving limit, like a traditional credit card, in which the balance due can be paid in full each month. Alternatively, the cardholder can choose to make monthly payments. The remaining balance, or non-revolving credit, is due in full at the end of each billing cycle. In addition, cardholders earn up to two percent cash back for all purchases.

On top of the triple purchasing power and cash back, TDECU customized a benefits package comparable with other high-end national credit cards. It includes benefits such as concierge service, extended warranty, price protection, Purchase Assurance, Master Rental, travel accident and baggage delay insurance, and ID theft resolution

“We took a look at our entire membership and selected benefits that we felt would be attractive to our members from a brand and feature perspective,” said Wright.

Bringing the Onyx card to market was a joint effort of TDECU and TNB. They worked closely together to develop the card strategy and benefits, as well as the back-end system to ensure the credit union could effectively manage the card program. Wright gave credit to TNB, noting that “TNB was a significant contributor to bringing this product to market. TNB created this product for us.”

Darby McDermott, account executive with TNB Card Services, added, “It wasn’t an easy task, considering we completely customized our processing for this product by developing new fraud tables, and risk management strategies, in order to manage the complexity and expansion of the product.”

TDECU is also using the Adaptive Control System, an advanced behavioral scoring system that routinely monitors cardholder credit and automatically sets new spending thresholds based on their evolving credit score. McDermott explained that “This is a tool TNB Card Services has used for years, but it isn’t something many credit unions widely use. Historically, credit unions monitor these parameters manually, but for a product such as the Onyx card, it requires real-time automated decision making.”

The Onyx card became available in late 2008, with plans to proactively begin marketing the card toward the end of 2009. The credit union is testing its systems to ensure everything is ready for an aggressive marketing push. While the card is primarily targeted to members with high credit scores above 720, it has been designed to be scaleable so that certain features can be turned on and off depending on creditworthiness.

“The Onyx card is like no other credit union credit card,” said Wright. “We created this card to fill a void for members that use American Express, Discover, or MasterCard Elite. We don’t just want a credit card. We want to offer an experience card.”

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