

## Comparison of Credit Card Charges

CASE did a cross-comparison of credit card charges. Find out how the cards compare in terms of

- annual fee
- minimum sum payment
- grace period
- late payment fees
- interest
- currency conversion rate
- termination fee

Click [here](#) to look at our cross-comparison chart!

### Credit Card Information for consumers

Understanding the commitment, benefits and penalties involved before you sign up for a credit or charge card will help you to manage your finances more wisely. So read the terms and conditions of your card before you use it.

A credit or charge card allows you to buy goods and services without using cash. When you make a purchase with one, you have to sign the sales slip. The merchant keeps a copy and gives you the receipt. Your card issuer (for example, a card company or bank) pays the merchant and then collects the sale sum from you in a bill that totals your purchases for a period, usually a month. You can use your card locally and overseas in establishments that display the brand of your credit or charge card.

**As quoted from "Dollars & Sense"**

But while you are enjoying all the benefits of holding a credit card, do you really realise the interest rates and charges of various credit cards, for example, its Penalty charges, Cash Advance charges, Annual fee and so forth?

### Tips on using your card wisely

CASE feels that banks are charging unusual high interest rate for outstanding credit card balance at 24% when the other borrowings incur interest rate of less than 5%. We are very concerned with the fact that most of the banks seem to charge the same high interest rate, giving the public very few choices to choose from a bank that offers the best rate. We like to see more competition in this area.

Below are the tips provided by CASE

- Only use credit cards when you can afford to pay off your monthly bill. Do not lose track of how much you have spent. Once you cannot pay off your debts, you weaken your credit history and this may affect future loan applications.
- If you pay the minimum sum monthly, you are paying interest on your outstanding balance. This interest will be compounded if you continue to roll over your outstanding balance month after month. So try to pay off the entire sum as fast as possible. If you are in a situation whereby you are unable to fully pay off the outstanding balance on your credit card, you should look for other financing facilities that charge a lower interest rate than your credit card.
- Cancel cards you do not use. Lenders may be more concerned about your ability to repay a loan if they know that you already have a lot of credit extended to you.

- Pay your bills promptly to save money on late fees. Mail or submit online payments so they arrive before the due date.
- Avoid spending to your credit limit as you will not be able to use the credit for emergencies.
- It may be wiser not to have too many credit cards, or else you may overspend or may not be able to track your monthly expenditure.