

# Play your cards right

**A guide to managing  
credit cards**



**Note**

While we have checked everything in this booklet, no person should rely on the contents without first making their own inquiries or obtaining advice from a qualified person or both regarding their particular circumstances.

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## Introduction

Ease of use, convenience and a high degree of flexibility have won credit cards massive and growing popularity in Australia. Credit cards look set to remain one of the most widely used and accepted forms of payment next to cash and cheques.

Credit cards are also at the forefront of new technology, with online transactions increasing as consumers embrace internet banking and shopping.

The major benefit of credit cards is their convenience. Payments can be made easily – in shops, over the phone or on the internet, and when you have a card there's no need to carry around large amounts of cash.

While it's not hard to see why so many people use credit cards, it's important to also understand how to use them wisely.

By carefully choosing the most suitable card for you, and being disciplined with your card, using credit can be an easy and relatively inexpensive way of paying for day-to-day items as well as expensive purchases.

On the other hand, due to the sheer availability of credit cards and offers of pre-approved increases in credit limits, it can be easy to fall into a debt trap if credit cards are not managed properly.



## Did you know?

Figures from The Reserve Bank of Australia and The Australian Payments Clearing Association show that:

- Credit card use jumped by 35% from an average of around 4 billion transactions per month (or 48 billion annually) in 1999 to 5.4 billion per month (or 65 billion annually) in 2000.
- Personal debt grew by 8% to \$72 billion in 2000.
- Credit card debt of around \$16 billion accounted for 22% of total personal debt (excluding housing) in 2000. This compares with 18% in 1999.
- The \$72 billion of personal debt in Australia excludes \$264 billion of home loan debt.

- The average value of a credit card transaction is \$105, an increase of 5% from 1999. Around \$100 of this \$105 average is conducted as an electronic transaction.
- Australians frequently use credit cards at EFTPOS terminals. In 2000 we made 53 million electronic credit card transactions worth \$6 billion. This represents an annual increase of 36% in volumes and 44% in value compared with 1999.

### Notes:

- All figures quoted are as at June 2000
- Credit card balances are for bank issued credit cards only



### Tips for using your card wisely

- Lower the cost of credit by paying as much as you can off the balance each month. Make sure you pay enough to cover interest and any fees and charges.
- If you do carry a large balance over from one month to the next, try to find areas in your budget where you can save, allowing you to pay more off your credit card. Interest can accrue quickly on balances left unpaid each month.
- Reduce the number of credit cards you have. This will save on annual fees and allow you to get maximum benefit from your rewards program. It also removes the temptation to use one credit card to pay off the balance of another.
- Closely monitor the interest rate you are paying and shop around for cheaper alternatives.
- Using credit cards for shopping, instead of the ATM or EFTPOS, can save on savings account transaction fees.
- Withdrawing cash from a credit card account usually attracts interest from day one.
- Be careful about increasing your credit card limit.

### Tips for budgeting with your card

- Be careful of spur-of-the-moment shopping expeditions that exceed your budget. Parting with cash is visible but the impact of using credit is not as obvious until the statement arrives. If you're having trouble controlling spending, leave your card at home and resist the temptation altogether!
- Think about whether you will be able to pay for something **before** you buy it, not after.
- Some financial institutions offer a spread repayment option for larger items including whitegoods, furniture and holidays. The total amount can be spread over a period of 12, 24 or 36 months. This means you avoid putting large amounts on your card as it allows the cost to be broken down into smaller amounts and incorporated into a monthly budget.
- A low cost way to save money and make the most out of your credit card is to pay your bills by direct debit. This means the payment comes straight out of your credit card account and goes to the biller. It saves you time and transaction fees.

## How do credit cards work?

Credit cards give cardholders access to cash in the form of a loan. Depending on the financial institution, credit cards can be either unsecured or secured. Unsecured means the cardholder is not required to provide an asset such as their home or car as security. With secured credit cards, cardholders nominate an asset to secure the risk.

Credit card interest rates typically range between 13 to 17 per cent. The rates are higher than home and car loan rates to reflect the added risk. Home and car loans are generally secured and the term and amount of the loans are fixed. Most credit card loans are unsecured and the credit is available on a continuing basis up to an approved credit limit.

While this means credit cards can be used to gain an instant loan, their high interest rates mean it is wise to keep the loan period as short as possible. Take too long to pay back the full loan and the interest can be almost double the amount that would be charged on a long-term personal loan.

### Interest-Free Days

The majority of credit cards are based on two types. **One type charges interest after a period of up to 55 “interest-free days”, while the other charges interest from the date of purchase.**

The trade-offs for having interest-free days are usually a much higher interest rate and the need to pay an annual fee. Cards that charge interest from day one typically have a lower interest rate and are less likely to charge an annual fee.

The obvious question is why use a card that charges interest from day one, if you can get a card that provides a period of interest-free days?

Well, it all depends on the type of credit card user you are. Depending on your spending habits, the card that charges interest from the word go could end up being the cheapest for you.

### Questions to Ask About Your Card

**When** does the interest start? Some card issuers charge interest at a set date each month (eg. when your statement arrives), whereas the interest-free period on other cards starts from the date the first purchase in that period is made.

**Check** how the balance is carried over each month. Some issuers

## Which credit card?

charge interest on the maximum outstanding balance at any given period over the month. For example, if you pay off \$1,000 of a \$1,050 debt and leave \$50 of debt remaining, you may still be charged interest on the full amount.

**Fees** vary greatly between cards. For example, fees and charges can apply for: annual card fees; cash advances; breaching credit limits; not meeting minimum repayments; making payments at Australia Post or for late payments.



With literally hundreds of cards on the market, consumers have never had more choice. But while a greater range of choice is good, finding the best credit card for you can be confusing.

There's no point in checking out the different cards available until you determine your typical spending patterns. Then you can match your card choice with the way you plan to use it.

It's important to get the right card. Using the wrong type of card can be expensive, and cost you more in fees, charges and interest.

For example, why worry about a high interest rate if you know you will be paying off the entire balance on time each month, thus avoiding interest payments altogether?

Likewise, if you know debt is likely to be regularly carried on the card for more than one month, a card with a lower interest rate and a lower or no annual fee could be best.

On the downside, many of these cards do not have any of the value added benefits offered with cards featuring an interest-free period, such as reward programs and discounts on some items and services at selected retail chains. Be sure to check with your credit union, building society or bank about the benefits that come with their cards.

When choosing a card with an interest-free period, look for the largest number of interest-free days available and the most suitable rewards programs.

No matter what type of card you're looking for, make sure you shop around – annual fees are becoming more common with all credit cards.

Also, keep in mind that a card that may seem ideal for you might turn out to be wrong in the long run. Again, it all depends on the type of credit card user you are, so it's worth keeping a close eye on your spending habits to check whether a different type of card would suit you better.

**With the vast range of cards on the market, check credit union, bank or building society websites to see which ones offer the best deals. Interest rate monitor Cannex ([www.cannex.com](http://www.cannex.com)) or Info Choice ([www.infochoice.com.au](http://www.infochoice.com.au)) also provide information on credit cards.**

## **Case Study – Ewan**

*Ewan 'runs his life through his card'. He uses it to pay for everything including regular everyday items such as phone and electricity bills, insurance, groceries and petrol. He also occasionally travels interstate, and uses the reward points accumulated for accomodation and flights. Depending on the month, he might spend up to \$5,000 on his card.*

*With a reasonably good wage, the main reason Ewan wants a card is for convenience. By using a credit card, he does not have to carry around as much cash and will save money on bank fees charged for making excess withdrawals. As a disciplined credit card user, he can also afford to pay off the entire debt on the card at the end of each month.*

*After weighing up the options, Ewan chose a credit card with 55 days interest-free, a high interest rate and an annual fee. It also has a reward program attached with one point earned for every dollar spent (and the points have an unlimited life span).*

*The major benefit of this strategy for Ewan is the amount of reward points he can accrue. The only cost to him will be the annual fee, providing he sticks to his strategy and always pays off his debts on time.*

## Case Study - Kayla

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*Kayla struggles to stretch her pay packet each month and is often short of money. She has a credit card to give her a bit more time to pay the bills when she needs it and to make bill paying more convenient (over the phone rather than down at the post office or bank).*

*Carrying a large amount of debt on a credit card is never advised, but thousands of Australians keep debt on their cards all year. Kayla is no different, so she has a card with no interest-free days but with a lower interest rate. The card also doesn't have an annual fee, but lacks the special extras of some other cards. For Kayla, who wouldn't use these extra features anyway, the card is well suited to her spending patterns and ensures her interest bills are as low as possible.*

## Case Study - Nadine

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*Nadine needs a credit card for holidays and shopping. She finds it useful for booking flights, accommodation and car hire. She also finds it handy for occasional purchases.*

*Nadine tries to pay the balance owing on her card off in full every month, but sometimes during busy months, she carries some of it over until the next month. She doesn't use her credit card for everything, but likes the idea of having it as a back-up.*

*A 55-day interest-free card suits Nadine, giving her extra time to pay for her purchases before the interest is charged. Even though it has a yearly fee of \$24, it is cheaper than a card with interest charged from the time of purchase. She opted for a cheaper annual fee and no rewards program, knowing that she wouldn't accrue many reward points.*



## Other Types Of Cards

When considering which card is right for you, remember there are other credit card-type products on the market such as charge cards, store cards and debit cards:

- **Charge cards** are those such as American Express (not the credit card) and Diners Club. They are managed by a card issuer rather than a bank. Most have a joining fee as well as an annual fee. Charge cards need to be paid off in full each month or penalties can apply.
- **Store cards** such as those offered by large department stores are great for regular shoppers to those stores, but often charge among the highest interest rates of any card. These can only usually be used in the store of issue, and often provide bonus reward points or other special benefits for card owners.
- **Debit cards** are used to access funds in savings accounts at ATMs and EFTPOS terminals at the time of a purchase. Generally cardholders use their cards to access their own money. Some debit cards have optional lines-of-credit or overdrafts attached, allowing cardholders to access additional funds from their financial

institutions. Visa debit cards, which give cardholders international access to their funds, are very popular in Australia.

## Which Card Suits You?

To determine the type of card user you are, start by asking yourself these questions:

- Why do you want a card and how much will be spent on it each month?
- Will you be able to pay off your balance in full each month?
- Are rewards points important? If they are, which rewards will you be able to use?
- Do you plan on using the card overseas?
- Will you need to access cash advances from Automatic Teller Machines?
- Do you really need some of the special features on offer?
- Don't forget to check if the credit union or bank you already use has special offers for existing account holders or shareholders.

## What It All Means

- **Credit card:** Unlike an ordinary debit card, a credit card gives the user access to borrowed money, or credit.
- **Late Fee:** Late fees are a newly introduced but quickly spreading fee in the credit card market.
- **Credit Limit:** Most cards have a credit limit, putting a cap on the maximum amount of credit that can be used on a particular account. Most cards have a limit of \$3,000 to \$5,000, although some gold and platinum cards can have limits of \$100,000 or more.
- **Minimum payment:** This is the minimum amount that must be paid to a credit card provider each month. Sometimes the amount is smaller than the interest component of the entire bill. Whenever possible, try to pay off more than the minimum payment to keep your credit card bill interest payments as low as possible.
- **Interest-free days:** Some credit cards give users a period of time before interest is charged. These are known as interest free days and can be used by disciplined spenders to avoid having to pay interest.
- **Reward Points:** Reward points are accumulated according to how much you spend on your card. Early reward schemes focused on frequent flyer points, although these days points can be redeemed for just about anything, including holidays, cars, electricity bills, movie tickets etc. Loyalty schemes are available to suit just about any taste and spending pattern. Be aware of the life span of the reward points you accrue so that you can get the most out of them before they expire.
- **Bonus points:** Some loyalty programs award special bonus points for shopping at certain places or buying certain brands.
- **PIN:** or Personal Identification Number. Your PIN is the gateway to your money and should be always closely guarded. Anybody who has your PIN can access your money.
- **EFTPOS:** EFTPOS stands for 'electronic funds transfer at point of sale'. In simple terms, EFTPOS terminals are those where you pay bills at grocery shops and other merchant outlets by having your debit or credit card swiped and then entering a PIN.



The key to getting the most from your credit card is to use it wisely.

To manage a card properly, match the type of user you are (see example cardholders on page 8 & 9) to the card with the most relevant features. Then develop and stick to a proper strategy.

Consumers who use credit cards irresponsibly can quickly find themselves in trouble. It's easier to spend if you have some time before you actually have to part with your own money. Consequently, it's tempting to be over-ambitious when shopping with a credit card and end up with mounting debts.

It may sound obvious, but the only way to avoid this is not to spend more than you have, or at least no more than you can reasonably expect to pay off. Remember, using a credit card is the equivalent of getting a personal loan – the only difference is the interest charges are substantially higher.

Although it is a common practice, owning two or more cards can be dangerous. Too often, people run into problems by paying off one card with another and never climb out of debt. In some of the worst cases, people juggle dozens of cards before having to face the music.

## Avoiding The Debt Trap

The first thing to do if problems strike is to sit down and work out where and when your debts are due, then you can work out what you can offer to pay your creditors.

Develop a “money plan”, a list of your income and expenses and then contact your credit card providers and let them know you are having problems. Some issuers can make repayment plans available at special interest rates. Remember, the longer you leave the debts, the faster they will grow.

If you have spoken to your credit card providers and still feel there is no way you can cope with your debts you can contact a financial counsellor who can help you

organise repayments and your budget. People from all walks of life face financial difficulties so it's important to be aware that there is help available.

Another strategy is to cut up your credit cards and draw up a budget, using cash – not credit. Most credit unions have information to help with budgeting and how to avoid a financial crisis. Focus your attentions on paying off debt and then rebuilding some savings.

**Interest on cash advances is often charged from the date of the transaction, even on cards with interest-free days. Many also have a hefty transaction fee. Find out what fees and charges are applicable to your credit card for cash advances.**



# Understanding statements

You will receive a statement for your credit card each month showing details including transactions, balances, payments made and payments due.

Here are the key sections to help you gain a better understanding of how your statement works.

## Inquiry Centre

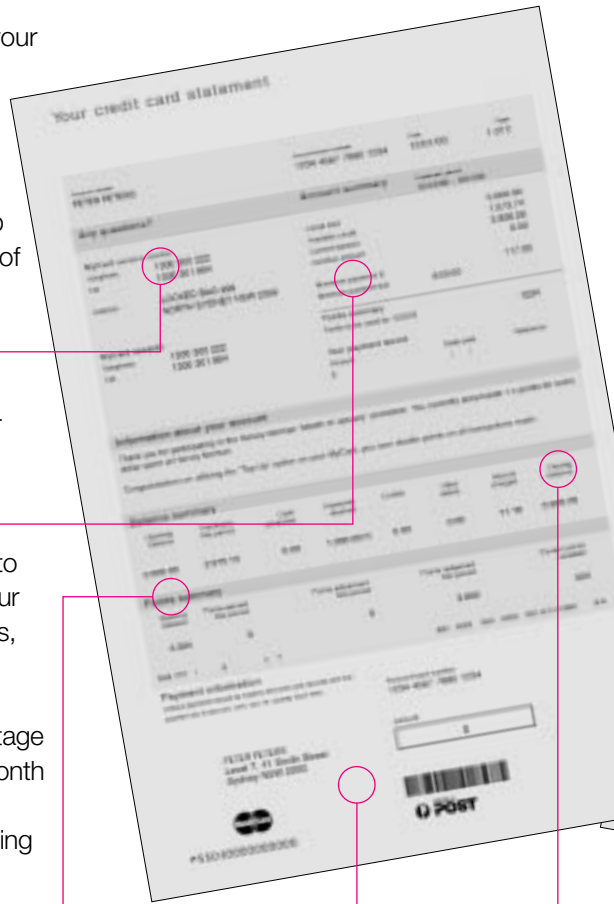
A number you can call for any inquiries about your statement or your reward points.

## Minimum Payment

Each month you will be required to make a minimum payment on your credit card if you made purchases, used the card to pay bills or withdrew cash. The minimum payment usually equals a percentage of the total amount owing that month or a set figure such as \$25, whichever is the highest. Depending on your financial institution, if the minimum amount is not received before a certain number of days it may appear as an overdue amount on your next statement or you may incur a late fee.

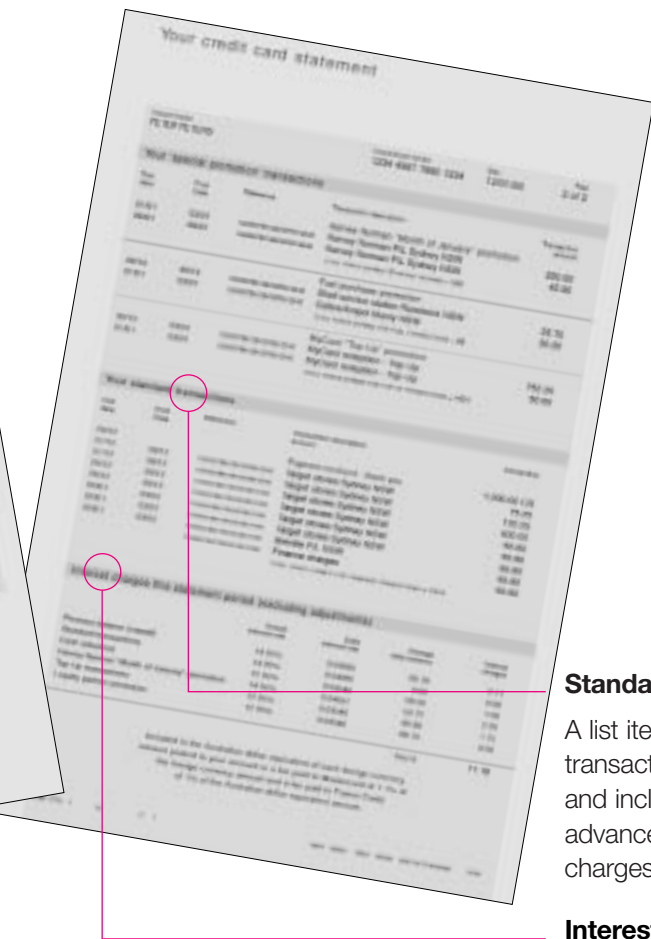
## Points Summary

A points tally will appear if you have a credit card with a reward program attached. If you do, this will show you how many points you have accumulated so far.



## Payment Slip

If you haven't already made a payment using another method such as direct debit or BPAY, you can complete this slip and use it to make your payment. You can post it in with a cheque attached or take it in to the financial institution the credit card account is with.



## Standard Transactions

A list itemises all of your credit card transactions in the preceding month and includes details of fees, cash advances, interest and government charges.

## Interest Charges

This will detail the amount of interest you are paying on your transactions. Interest is charged daily. It is calculated by dividing the annual interest rate by 365 and multiplying it by the amount owing.

## Closing Balance

This is probably the most important part of your credit card statement as it shows the total amount owing on your card. This figure includes any overdue payments, interest charged and of course, all of your unpaid transactions.

## Value added features

These days, there's much more to consider than just the interest rate and whether or not the card comes with interest-free days.

With so many options available, dozens of other considerations must now be taken into account. For instance, annual fees and reward points differ greatly between cards.

Also, some charge higher fees or interest for different types of features. Special features have become a strong selling point for credit card issuers, but don't be fooled. It's easy to be tempted by attractive sounding features that you will probably never end up using.

An increasing number of credit card issuers are offering discounts or special deals at hotels or some store chains. These can be great, but only if they are going to be used. There's no point in paying more for extras you don't need or want.

A good example of cards offering such discounts are gold or platinum credit cards, which are aimed at individuals with a high net worth. However, these types of cards are typically expensive and should only be used if the "rewards" are of benefit to the user.

Other features growing in popularity include the ability to spread repayments and consolidate debt onto the one card with a lower interest rate.

### Tips for assessing special offers

- Remember, a special offer is usually only short term or carries extra fees to compensate.
- Honeymoon rates on credit cards can quickly run out and become expensive. A Honeymoon rate is a discounted interest rate that lasts for a limited amount of time.
- Choose loyalty programs carefully and make sure you will be able to use the points you earn.
- Higher credit limits also make it easier to get further into debt.

While improvements in fraud detection have increased, credit card users should still treat their cards with extreme caution.

Credit card fraud in Australia amounts to \$20 million a year, a cost which consumers ultimately pay through higher finance charges and annual fees.

A sophisticated way for thieves to use credit cards illegally is through an activity known as 'skimming'. This can occur in non-reputable outlets that fraudulently copy credit card information. Unsuspecting cardholders are led to believe they are conducting normal business with a supplier. When cards are handed over, thieves swipe them in a 'skimmer', an illegal device about the size of a beeper, which is very small and very easy to hide.

Once the card has been swiped – and the details have been recorded – a duplicate copy of the card can be made and the cardholder won't know anything about it until they get their monthly statement.

Unfortunately, retailers can often make it easier for thieves to commit credit card fraud, through not enforcing signature verification or questioning consumers enough when signatures don't match. It is hard to change the procedures of

thousands of retailers, but you should insist that your signature be checked after every transaction. It may take a little extra time, but you wouldn't want shop assistants to be so relaxed if a crook had your card.

### **Safeguard Your Card**

- If you do notice a charge on your statement that isn't yours, be sure to contact the card issuer quickly, no matter how small the discrepancy. Some cyber-thieves make a living by skimming small amounts from people's cards in the hope that it won't be noticed.
- Credit cardholders can ask for the charges to be reversed if items are disputed or mail order purchases are faulty. If you notice a discrepancy on your statement, contact your card issuer. The card issuer can usually perform a 'charge back' where the organisation will be forced to provide evidence of the transaction.
- Never give your PIN to anybody. If you have a hard copy of your PIN, don't leave it lying around close to your card or in your wallet. It is a good idea to change your PIN from time to time.
- Never let your credit card out of your sight.

- Use a separate card for internet transactions so unusual charges are easier to spot. You should consider keeping a lower credit limit on this card.
- Only send your card details through secure internet sites.
- If you want to make sure retailers check you are the correct cardholder when you make a purchase, ask them to look at your licence or other ID to verify that the card belongs to you and you are who you say you are!
- If your card is lost or stolen, report it to your card issuer immediately so that they can cancel the card. This will help ensure you will not be liable for any transactions made with the stolen card. If you are travelling overseas, make sure you know the correct number to call for lost and stolen cards. (Some numbers cannot be accessed from overseas.) MasterCard, for example, has a global service contactable from anywhere in the world at anytime.
- Don't give your credit card number and expiry date to anybody whose credibility you don't trust or if you're unsure of a company or person's background.
- For increased security, some card issuers have credit cards with photo identification.
- It can also be helpful to change your password occasionally – try not to choose something obvious (such as your name, birthday or partner's name).
- When you receive your card, some card issuers will ask you to call them to activate the card. You will be asked to provide identification details similar to ones provided on the application form such as date of birth, the card number and expiry date, your licence number and your account password.

**An organisation called Credit Card Sentinel offers a card protection service for all your cards including credit, debit and charge cards. If your cards are registered with them they will assist you if you lose your wallet or cards. They will arrange for all the cards to be cancelled and re-issued. They will also accept liability for any transactions made on the stolen cards. The service costs \$30 for an individual or \$45 for a family per year.**

## **The internet: A new frontier for credit cards?**

Credit cards are a natural choice for internet shopping: no money needs to physically change hands; payments and authorisations can be made instantly; and record keeping is automatic. In many ways, the same rules apply while on the internet as with any other kind of shopping.

Some people like to have a special credit card just for internet shopping. By having a dedicated card, it is easier to keep track of your spending and unusual transactions will be easy to spot as long as you remember to check your credit card statement thoroughly.

The most secure transactions are conducted through Secure Electronic Transfers (SETs) which encrypt messages, turning them into an unintelligible language that cannot be understood by anyone attempting to intercept the transaction. These have become highly secure over the past 12 months. Using sites that have SET reduces your chances of becoming a victim of fraud.

However, it is not only when credit card details are being transmitted that hackers can strike. Credit card details can also be stolen from poorly secured merchant databases. To help avoid this, use only secure sites owned by well-known merchants, and never give your details to an unfamiliar site.



## Travelling with credit cards

Credit cards are invaluable when travelling overseas. Used carefully, they're safer than cash and are accepted almost anywhere in the world. They can also be used to access cash in local currencies and make travelling in a foreign country easier.

However, travellers should not rely entirely upon credit cards. Travel agents recommend a combination of cash (often American dollars, depending on the destination), credit cards (including a back-up card) and travellers' cheques.

Generally speaking, if you're travelling overseas you will need a Visa, MasterCard, American Express Card or Diners Club card. Bankcard is accepted interstate and in New Zealand, but not in other countries.

One of the downfalls of using a credit card overseas occurs as a result of exchange rate fluctuations. On most cards, the applicable exchange rate is the one current at the time a transaction is made. The exchange rate for travellers' cheques, on the other hand, is set at the time the cheques are purchased and vary depending on what currency they are purchased in.

Also, depending on the card, a foreign exchange fee is likely each time a transaction is made.

If you are taking your current credit card with you overseas, check that the fees and charges are not too high for offshore use. If they are, ring the issuer and see if there are any features you can "activate" to make overseas use cheaper.



Also, see if your card issuer offers discounted travellers' cheques. Some companies offer to waive their commission on travellers' cheques for credit card customers.

If you are getting a card especially for overseas travel, things to check include:

- Where your card is accepted – Check whether you can use your credit card in the countries you are visiting.
- Fees and charges for cash advances – cash advances are handy for getting local currency in an emergency but can be very expensive and attract interest from the time of the advance, even on a card with interest free days.
- Payment options – if you're away for more than a month you will need to pay your card over the phone or internet. If you are using a phone, look for a toll-free number in the country you are in. You may want to arrange a direct debit before you leave home.

An alternative to using credit cards overseas is a product called VISA TravelMoney. This handy little card is available from credit unions, building societies, travel agents and some banks, and gives you access to your own funds when overseas.

To apply, all you have to do is contact your local financial institution or travel agent. You can put as little as \$250 or up to \$10,000 on the card, which can then be used in any VISA-compatible ATMs around the world.

While VISA TravelMoney cannot be used at EFTPOS terminals, it does give you quick, safe access to your funds in any part of the world. If your card is lost or stolen, all you have to do is visit a Thomas Cook Travel Agent, put a stop on the card and they will give you a new one immediately. A VISA TravelMoney card does not have to be embossed like a real credit card which means you can be given a replacement card straight away.

## Reward Schemes

Many credit cards offer some form of reward program, allowing you to accrue points for money you spend – usually one point per dollar spent. Some programs feature special deals with retail outlets offering double points or bonus points with certain purchases, helping you boost your point tally. However, where more than one point per dollar is offered, the number of points required to exchange for goods and services can be higher.

Once you have earned a certain number of points, you can exchange them for goods and services such as movie tickets, small appliances, hotel accommodation or flights. Another benefit of rewards program membership is that some cardholders are offered discounted holiday deals at certain times of the year.

More recently some financial institutions have begun to offer discounts on banking in exchange for accumulated loyalty points. For example, you might receive a waiver on your annual credit card fee, bonus interest on a term deposit or a discount on a home loan fee.

There are some credit cards that don't come with a loyalty program. The interest rates in these cases can be lower, sometimes by up to two per cent.

When you are choosing a credit card, decide which rewards you prefer. If you think you would benefit from a reward program, it might be worthwhile to incur the extra interest. (Keep in mind that some credit cards have interest-free periods where you can pay off the balance without being charged any interest, and you'll still accumulate reward points.)

Some reward programs offer discounts on bills or petrol. Rather than save up for movie tickets, some cardholders might find it more worthwhile to exchange their points for a discount on an electricity bill or a voucher at their supermarket.

Reward points work well if you use your card frequently for large purchases and keep up regular payments so you don't incur any interest.

Some value added features are useful and may save you some money in the short term, but you need to be sure you don't end up paying more than you save. Also, be sure to read the fine detail – many so-called "special features" are free for a short period, but can quickly become expensive when the free period ends.

Your financial institution should provide you with statements telling you how many points you have accrued. When you are ready to cash in your points for goods or services, simply contact your financial institution.

**Never increase your spending just to earn points. When you consider the cost of credit cards, it may be cheaper to buy an item outright than earn it through a rewards program.**



## You are not alone

Credit unions around the country offer competitive credit cards to suit members' needs. Credit union credit cards have a rewards program featuring an extensive range of products and services, ranging from movie tickets to lawn mowers and hotel accommodation.

Credit union staff can assist you with your credit card application and provide advice on day-to-day management of the card.

Credit unions can also provide help if your credit card becomes a burden. Talking to a credit union member service officer about consolidating your debts into one loan is one option available.

Other services credit unions provide include:

- savings and cheque accounts and term deposits;
- mortgage offset savings accounts to help you reduce your mortgage faster;
- Christmas accounts to prepare for that costly time of year; and
- budget plans to help you prepare for expenses.

Credit unions can offer a range of booklets to assist you with your finances. For free copies visit the Australian Credit Union Network Website at [www.cu.net.au](http://www.cu.net.au) or phone 13 11 28 to find your closest credit union.