

Getting The Right Credit Card To Suit You

There are so many credit card choices being dangled in front of people these days that it's almost impossible for the average person to weigh up which one would suit them best.

Most credit card offers have at least one feature that the credit providers use as the bait to entice your business, but that one feature seldom reflects the "real" cost of using that card.

Here are a few simple tips to help you get the right card for your needs.

If you have an existing balance to transfer, then you need to be looking for a card with a low interest rate on balance transfers - and not just a honeymoon rate, otherwise you'll have to swap again in 6 months time when the true interest rate kicks in.

If you maintain a relatively low balance but make a lot of purchases each month, then you'll need a card which either charges low interest rates on monthly purchases, or has a lengthy interest free period. Many cards offer an interest free period of between 21 and 55 days

The next thing to consider is your preferred style of repayment. If you always clear the entire balance every month then you should shoot for the card with the longest interest free period, as the interest rate is irrelevant, so long as you never forget to pay the entire balance off every month. But be aware that your bank may charge you interest on the entire months account if you leave even a tiny amount unpaid.

This type of card is great for people who have the money to pay the entire bill off, and only use their credit card for convenience or emergencies.

Most people don't realize it, but credit card companies still do very well even if you never pay any interest at all. They charge the merchants a fee for using their payment service as well. In some cases they offer the card user a kick-back from these fees as an incentive to use their particular card.

Some companies do this via a cash back arrangement, which you can either cash in or have deducted from your balance. Other companies offer points based incentives similar to frequent flyer miles. These can generally be credited towards a range of reward gifts. Beware though, of the false economy of making extra purchases just to get rewards!

There are also cards that give your rewards to various charity organisations. This can be a good way of giving to charity, whilst only spending what you would have spent anyway. The donations can quickly add up when enough people get involved.

Finally, be wary of "limited time only" credit card offers. Reputable financial organisations don't try to bluff people into hastily signing up with them by using such tactics. Any card that genuinely sounds good today will still be around tomorrow.

Don't be rushed by such credit card company sales tactics. The only things you need to consider - and consider well - are your spending habits and your repayment style, then choose the card that has the features that match your needs, and not theirs!

Source: <http://www.articlecircle.com>

About the Author

David Neehly writes on all aspects of the Credit Card industry on his website at <http://www.creditcardcost.com>, where you'll find many more interesting articles. Don't forget to subscribe to his FREE newsletter, for expert tips, bonus gifts, and all the latest news from the world of Credit Cards.