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**I**n the movie *Confessions of a Shopaholic*, the lead character, Rebecca Bloomwood, froze her credit card in an ice cube in the refrigerator to curb her spending impulse.

Indeed, desperate times call for desperate measures, but it didn't work, as Bloomwood eventually succumbed to her spending addiction and retrieved her credit card by smashing, chipping away and melting the ice block.

The following are 10 simple, less-dramatic ways to manage your credit card debt if you believe that the potential movie sequel, *Confessions of a Shopaholic 2*, should be based on you.

### 1. Credit card freeze (not literally)

P.S. Tan, 32, is a self-confessed shopaholic who ended up freezing her credit card account after her handbag got snatched.

Already up to her neck in credit card bills prior to the theft, she considers the incident a blessing in disguise.

"By freezing my account, my expenses became more manageable and I actually ended up settling all my bills," she explains.

"Unfortunately, I had to end up getting robbed first, but by freezing my account, it helped curb my spending."

For those curious to know, she has resumed her credit card account.

"I am more cautious with my spending now," Tan says.

Financial planner Wilson Low, however, cautions that freezing your credit card account has its drawbacks.

"If your (credit card) account is frozen, banks will not be able to approve loan and credit card applications in your name since they can't access your account and credit report."

# 10 tips to manage your credit card debt

### 2. Waive the annual service charge

One way to limit your credit card bill is to have the annual service charge waived, says double credit card holder P. Susi.

"I tend to use one card more often than the other and reached a point where I wanted to terminate the one I rarely use," she explains.

"But because I was a long-time customer with that bank (whose credit card I wanted to discontinue), they were more than willing to waive my annual service charge and retain me as their customer."

Alternatively, a bank is also willing to waive your annual service charges if it's used regularly, Susi adds. "If you spend enough to justify it, you can usually get it waived."

### 3. Minimise credit card usage or use it as a last resort

Credit card owner Tony Liew, 35, says he only uses his credit card "when absolutely necessary."

"I use it as a last resort only if I don't have the cash, like paying for my annual post graduate course or if cash is not an option, such as ordering something overseas via an online shopping website."

### 4. Pay bills on time and in full

Liew adds that if he has a credit card bill to pay, he'd try his best to pay it in full.

"Of course it's easier said than done, but I try to make full payment or spread it over two payments at the most, if possible. I also try to pay my bills on time to avoid being charged extra interest by the bank."

### 5. Take advantage of offers

If you absolutely have to use your credit card to purchase that 999-inch plasma TV or that glow-in-the-dark blender, then use it when there's a cheap sale on.

"The year-end sale is a good time to purchase goods as prices get slashed and the impact won't be so much on your wallet or credit card bill," says Tan.

She also adds that as a shrewd shopaholic, one needs to be up-to-date with the latest sales promotions.

### 6. Don't let your points expire

Banks offer reward points to cardholders as incentive to keep using their cards. Additionally, the reward points can be redeemed for gifts – such as that glow-in-the-dark blender from that cheap sale that you missed out on.

If your points are close to expiry and you can't find anything you'd like to redeem it for within the bank's rewards network, one could try calling up the bank to find ways to prevent the points from expiring.

"Some banks will require you to either use up the points by the expiry date or risk losing it forever. Other banks, however, are more flexible," says Susi.

"Alternatively, some banks also allow you to redeem your points to waive the annual service charge," she adds.

### 7. Reduce the number of supplementaries

Ever had supplementary credit cards that belong to care-free fam-

ily members who just spend and spend, and who take forever to repay their bills, thus jacking-up the monthly interest rates?

"The best thing to do is to reduce the number of supplementary cards, which would also remove the annual government tax imposed on all credit card holders as well as their supplementaries," says Low.

### 8. Reduce the number of cards held

Reducing the number of credit cards will help you minimise the annual service charge amount and the annual government tax imposed.

"With multiple cards, you're inclined to keep spending. With the credit on one card maxed out, a cardholder will just continue spending using his other cards," says Liew.

"But if he has one card, once the credit on that one has maxed out, the spending stops," he adds.

### 9. Use a debit card or cash (don't use credit financing)

When you purchase goods via a debit card, the money is taken from your bank account right away – so you are restrained by how much of money you have on you.

"Unlike the credit card, where you are spending money that you don't have, a debit card means you're spending money that you actually have," says Leslie Lee, a kindergarten teacher.

Lee, who says she's not a big fan



Rebecca Bloomwood (played by Isla Fisher) in the movie *Confessions of a Shopaholic*

of credit cards, explains that having a debit card helps keep her spending habits in check.

"I also prefer to purchase using cash, as it helps me keep in check the amount of money that's coming out of my pocket."

"Technically, using a credit card is also money coming out of the pocket. But seeing your cash actually leaving your hand has more of a psychological impact than just producing a plastic card to pay for something."

### 10. Don't spend – if you don't need to

If all else fails and the urge to use your credit card is simply irresistible, then think Rebecca Bloomwood and come up with a creative (and more effective) way to keep that piece of plastic at bay.

On a serious note, you should always consider whether what you intend to buy is something that you really need. Chances are, it's something you could do without.

After all, when you really think about it, how much more useful can a glow-in-the-dark blender be anyway?