



Use Credit Cards Responsibly and Effectively

EDUCATE YOURSELF

IF YOU ARE an existing credit cardholder or are thinking of getting a credit card, it is important that you equip yourself with all the information relevant to your credit card - the function of a credit card, interest charges applicable, features, membership benefits and terms and conditions of usage - so you can manage your credit card wisely. The information is easily available on the credit card, product leaflet, the welcome pack that comes with your card and on the card issuer's website. Take time to study this information. Educate yourself to always swipe smart.

Remember that a credit card is a payment instrument that provides you with a fixed line of credit to pay for goods and services instead of using cash. It also allows you to make advance cash withdrawals. The amount of credit you use and minimum repayment amount is always specified in your credit card statement of the month or billing period.

1. Credit Limit

This refers to the maximum credit extended to you by the credit card issuer. The limit fixed is based on the assessment of the information provided when you apply for your credit card. The



credit limit matches your repayment capacity and is there to help you avoid spending unnecessarily. Your

credit limit can be changed over time depending on your spending pattern and re-payment capability.

2. Use of Credit Card

A credit card can be conveniently used at any merchant, locally or internationally and even online, which displays the same credit card brand as that on your card. Credit cards can also be used for cash advances at Automated Teller Machines (ATMs) which have this facility.

3. Monthly Statement

The monthly statement contains details of your purchases including cash advances if any, the total outstanding balance, minimum repayment amount and the payment due date as well as details on repayment methods, payment channels and implications of late payment. Ensure that you receive your statement monthly.

4. Payment Due Date

Your monthly statement will indicate the date by which you will have to settle at least the minimum repayment amount, which is 5% of the total amount outstanding.

5. Interest Charges

These are charges imposed by the credit card issuer on the outstanding balance which you have not settled

after the payment due date. The interest charges will be charged on a daily rest basis based on a tiered rate between 13.5% per annum to 17.5% per annum depending on the promptness of your payments in the previous 12 months. Additionally there may be late payment charges of at least 1% on the outstanding balance if you fail to pay at least the minimum monthly payment by the due date. Malaysian credit card interest rate is one of the lowest in the world. Do comply with the payment due date and take advantage of the tiered interest structure to maximise your savings.

In the case of Syariah-compliant credit cards, a fixed profit rate is imposed unlike conventional cards where interest is charged based on a percentage of the outstanding amount.

6. Additional Benefits & Privileges

In addition to the use of a card as a convenient payment tool, it is in your benefit to know that credit cards offer various benefits and privileges such as rewards, discounts and rebates, insurance and advisory services on dining, entertainment and travel.

7. Promotions

There are many occasions that card issuers will offer promotional gifts, waiver of joining fee, waiver of annual fee and low interest charges for an initial period. However, it is important to ensure that you understand the conditions attached to these promotional offers. If you are unsure, ask your card issuer's customer service representatives.

8. Customer Service Helpline

All card issuers have a customer service helpline staffed round-the-clock by professionals and accessible via toll-free numbers from anywhere in the world. They will be able to assist you with your queries, complaints or urgent request for help.