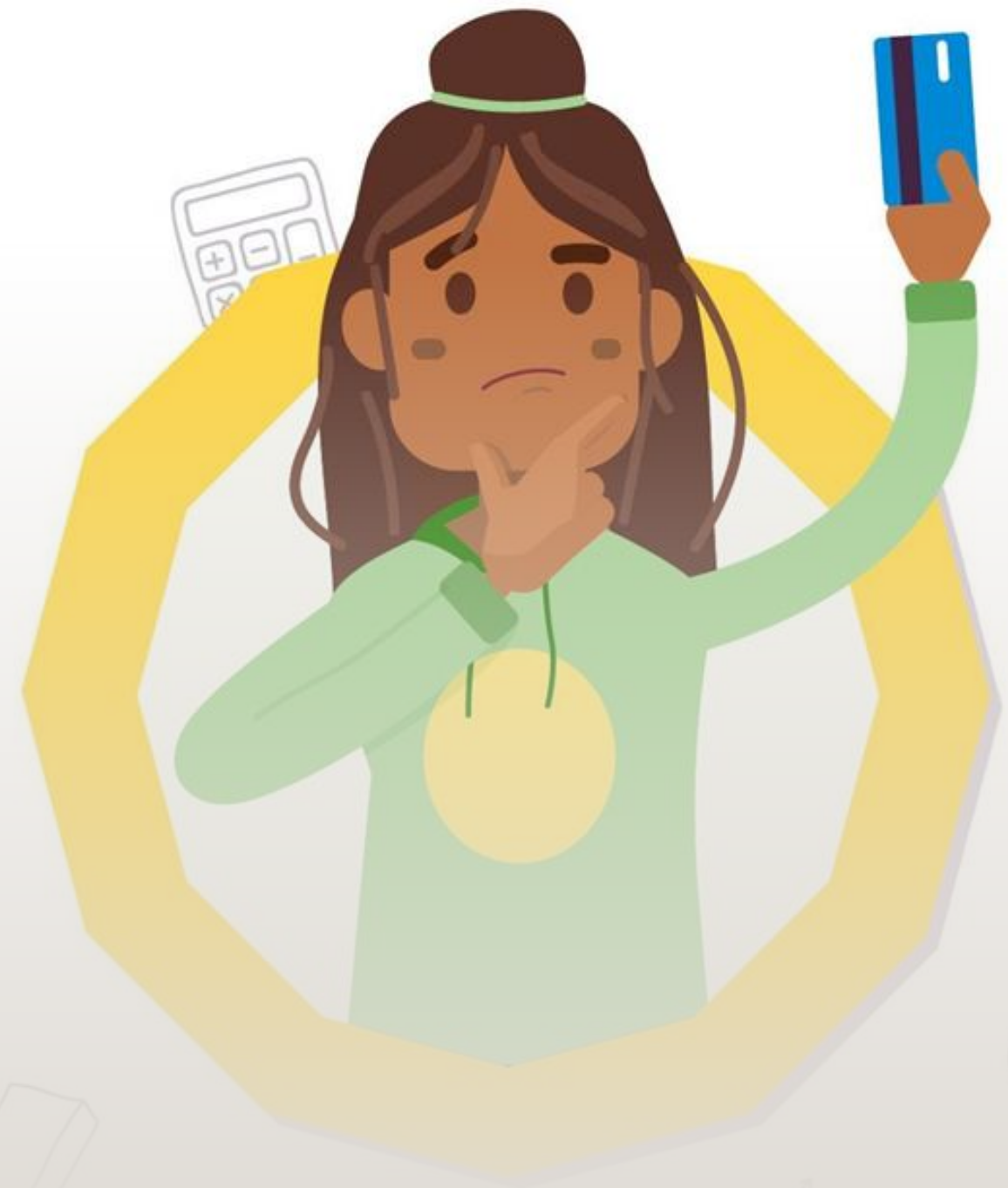


Introduction

Credit, Debit & Store cards.



What is the difference between?





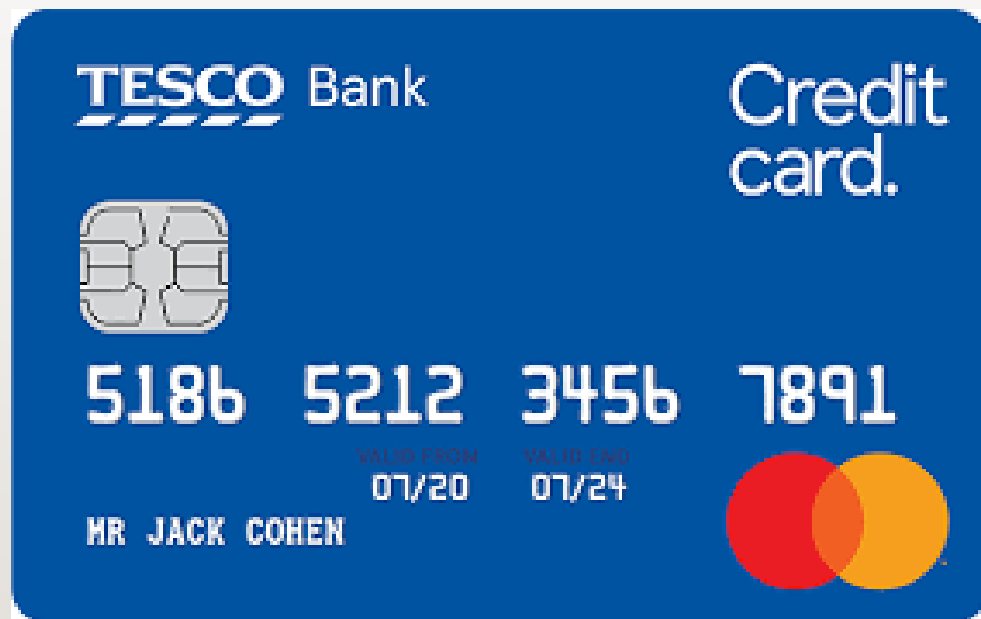
Debit Cards:

- These are issued by your bank.
- You can have one from the age of 11 years.
- They allow you to spend **ONLY** what is in your account.
- These are safer to use rather than cash as they are easy to cancel if stolen.
- You can use them to shop online or over the phone.



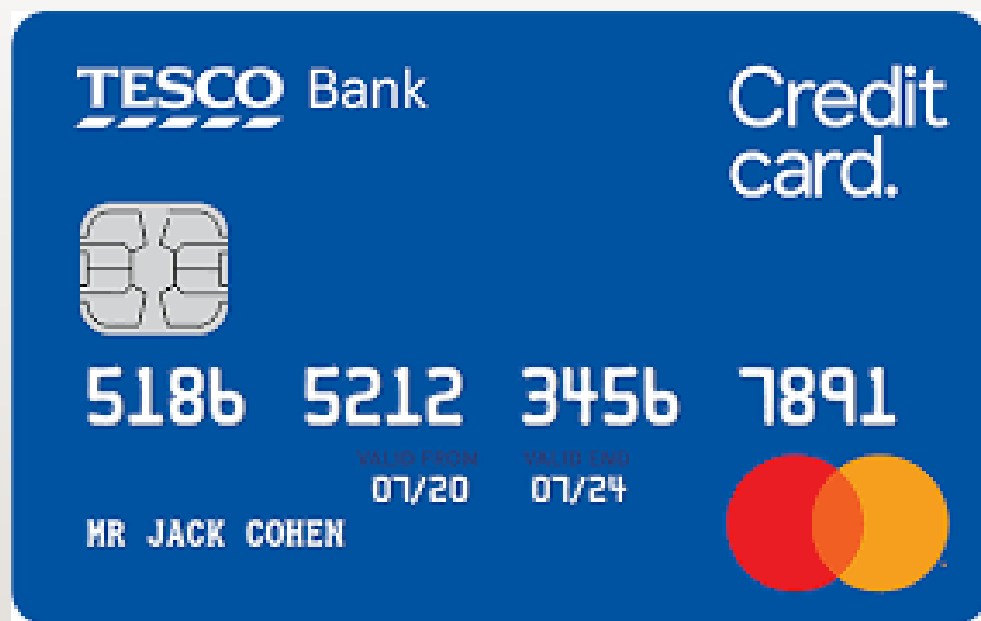
Debit Cards:

- You can use them to pay contactless (up to £100)
- You can use a pin number to pay by the card.
- You can use this to withdraw money from your account.



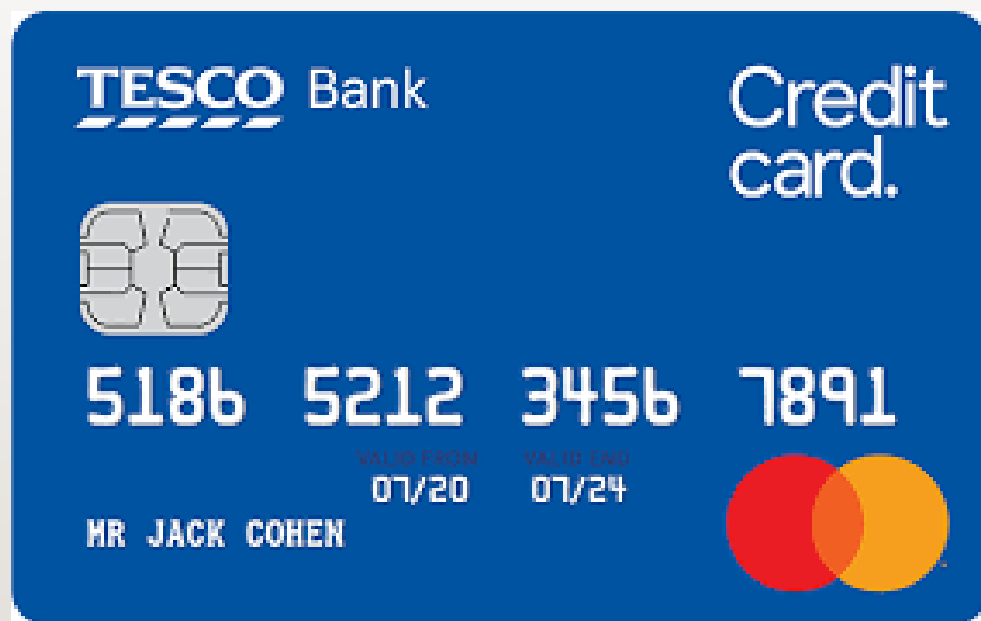
Credit Cards:

- You are spending money that you do not have (incurring a debt).
- At the end of each month, you are presented with a bill to pay off that debt.
- If you pay off the balance (debt) then effectively you have had a month of interest-free borrowing.
- It is safer than carrying cash.
- You must be 18 years old to have a credit card.
- You can earn 1% - 2% cashback on purchases depending on the card.
- You have consumer protection on items bought with it.



Whilst there are many positives to using credit cards.

If you cannot manage your repayments, then you can create a serious debt problem!



Credit Cards – The dangers.

- If you do not pay off your credit card balance each month you will be subject to **HIGH** interest rate charges on your debt.
- You will be charged if you try and use your credit card to withdraw cash as this is effectively borrowing from the credit card company.



Store Cards – Can only be used in the shop that it is designed for:

- These are issued by various shops and operate very much like CREDIT cards.
- Some stores offer deals (discounts) and rewards when you use their store card.
- Allows stores to see your purchase history.
- You can run up high debts if you do not pay off the balance each month!



So now you know a little about these cards. Which cards would you use and why ?

Debit Cards

Credit Cards

Store Cards

Summary: Would you have any of the cards discussed ?