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Release... Credit card debt

Many of us need to use credit cards to buy the things we need. It is crucial that we have control of this otherwise we waste loads of our money.

The most common reasons for credit card debt are:

- Missing payments - to avoid this it is advisable to set up a direct debit.
- General overspending - To avoid this, only use your credit card when you are sure you can pay the balance off at the end of the month.
- Being loyal to credit card providers - Always change your credit card provider once the low or interest free period is over. Remember, credit card companies have no loyalty to you so don't be loyal to them.
- Having too many credit cards - The more credit cards a person has the more likely they are to use them. To avoid this, only use one or two at a time.
- Expensive payment protection insurance - Most premiums are high with payment protection insurance and the payout conditions are very questionable.
- Not prioritising debts - Credit card debt is built up by

not paying expensive credit card debt first.

- Getting advice too late - Burying your head in the sand.
- Getting advice from the wrong places - Avoid getting advice from credit card debt advice firms who advertise on TV, radio or in the tabloids.

It is easy for just £2,500 debt on a credit card to take some 50 years to repay and the total amount repaid would be over £10,000 if APR (annual percentage rate - interest) was 18.9%.

For free, confidential and non-judgemental advice on creating a budget and dealing with debts, contact RELEASE on 01773 306289 or 07805 795748 www.releaseonline.org.uk

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