

MONEY

Sydney 9°C - 17°C . Partly cloudy.

Genuine is ready when you are.

5.00%

P.A.*

60 MONTH TERM. MINIMUM INVESTMENT \$10,000. INTEREST PAID ANNUALLY.

Find out more ▶

It's worth the switch

SUNCORP BANK

TERMS & CONDITIONS APPLY

MONEY

Is your credit card debt giving you nightmares?

LUCY KIPPIST • NEWS.COM.AU • JULY 03, 2013 3:32PM

BE THE FIRST TO RESPOND

SHARE

f

YOUR FRIENDS' ACTIVITY

NEW!

Discover news with your friends. Give it a try. To get going, simply connect with your favourite social network:

f

LOGIN



Oh god. Which one has money on it? *Source:* Supplied

EMAIL A FRIEND

f

FROM THE HOMEPAGE

60 people dead or missing after

Pop-up urinals 'weird, disgusting'

JUST like the saint-like humans among us who floss their teeth every day, some people pay their credit card bill on time in full. Every. Single. Month.

But plenty of other people are not so organised. New research from comparison site [creditcard.com.au](#) shows one-in-four people never meet the required payment every month and one-in-five have three or more credit cards in their wallets.

It is amazing to think the national average credit card debt is only \$3,300, according to the Reserve Bank Australia.

Our biggest credit card crime, according to Michelle Tate-Loverly an FPA-certified financial planner with 25 years' experience, is that far too many of us neglect to pay anything more than our minimum repayment each month.

"The idea is to pay the credit-card balance off each month - the minimum payment is misleading and can get you into trouble. You need to be very clear about what things you will use your credit card for and plan ahead. A credit card is actually a method, so use it in a timely way to pay off your capital expenses," she said.

Understanding your spending habits, being disciplined with money and having a goal in mind will also help you avoid any major debt disasters.

"People can be very carefree when they don't have a goal. It's easier to justify putting something on your credit card because you feel like some retail therapy. Everything these days is about instant gratification, and that means cash flow and budgeting goes out the window. But credit cards are not for luxury items," she said.

Having more than one credit card can also get you into trouble.

"Retail pressure has a lot to answer for. Since deregulation everyone can offer you a credit card, from Woolworths to Virgin airlines. Multiple credit cards are a symptom of this kind of retail pressure - we can get easily trapped into the thrill," she said.

If you are tempted to sign up for another credit card Tate-Loverly recommends reading the terms and conditions closely and try to avoid getting sucked into fancy deals and promotions.

"The points system should be the very last thing you worry about. Also, the more cards you have the more you will also pay in administration fees per year and they really add up," she said.

For people with businesses, or families with multiple cards, Tate-Loverly highly recommends getting one statement so you can track your expenditure in a simple way.

"In most cases the major institutions now do this for you. It makes it easier for tax purposes and if you have a large family, it allows you to be able to track all the expenditure more easily," she said.

But what if the damage is done and you've let your spending habits spin completely out of control? How do you get a handle on things quickly?

"First of all chunk it all down. Then attack the credit card with the highest interest rate and change providers that offer an interest-free period to help you get ahead.

"Once you've cleared your slate, reduce your credit-card limit or try a different method," she said.

If that doesn't work, or you feel completely overwhelmed, Tate-Loverly said a financial planner can be a real asset.

"They'll help you consolidate your debts and develop good money habits and behaviours," she said.

Keep this conversation going on Twitter: @newscomauHQ, @unifieds, @lucyjk

Genuine is ready when you are.

5.00%

P.A.*

60 MONTH TERM. MINIMUM INVESTMENT \$10,000. INTEREST PAID ANNUALLY.

Find out more ▶

It's worth the switch

SUNCORP BANK

TERMS & CONDITIONS APPLY

ADVERTISEMENT

- MOST VIEWED
1.

Online couple cheated with each other
2.

Missing teen found after four months
3.

Royal baby: We'll have a name soon
4.

Death and despair in asylum disaster
5.

VIDEO: League's best ever field goal

MONEY

Fortune cookie leads to \$1m win

A POST-dinner snack has led to a windfall for a US man, who was inspired to buy a lotto ticket after a cookie gave him a cryptic message.

\$4.5 million Bitcoin Ponzi scheme

A MAN has been charged with running a Ponzi scheme in which he raised some \$US4.5 million in the virtual currency Bitcoin.

Up to 25 years for stolen \$5m scratchie

A MAN convicted of possessing another man's winning US\$5 million lottery ticket has been sentenced to up to 25 years in prison.

Bosses with daughters pay more

BAD news for Palace staff expecting a bonus: Male bosses only give pay rises after they have their first child if it's a girl.

Sydney 10th most expensive city

RISING house prices and the high Australian dollar see Sydney rank among priciest cities for expats.

MONEY

BANKING

COST OF LIVING

MONEY MATTERS

SUPERANNUATION

INVESTING

DAVID & LIBBY KOCH

GUIDES & TOOLS

BEST FROM AROUND OUR SITE

The most Aussie proposal ever

IS this the most Australian proposal ever? A man gets his dog to deliver the ring before saying "so what do you reckon?"

NATIONAL

Who knew Bruce Willis was such a prat?

STAR labelled "rude", "painful" and "awkward" during chat with reporter, after insulting his questions and telling him he would rather "slash his hooves" than sell the movie.

MOVIES

Earth photo from 1450 million km away

EARTH appears as an insignificant-looking pale blue dot below Saturn's majestic rings in a breathtaking image from the Cassini spacecraft.

SCI-TECH

Pop-up urinals 'weird, disgusting'

A \$500,000 plan to install permanent outdoor urinals for drunk men in Sydney was attacked as disgusting and potentially law breaking.

NSW

BigRead: imagining grandma Diana

BUSINESS woman and philanthropist Rosa Monckton reflects on her good friend Diana Spencer - aka Princess Diana - and what she would be like as a grandmother.

CELEBRITY

ADD YOUR COMMENT ON THIS STORY

1200 CHARACTERS LEFT

Enter your comment here *