Keep an Eye on Your Money

Credit Cards

An EasyRead Guide

Credit Cards

A credit card can be an easy way to pay for things but it's very different to a debit card.

When you pay for something on your debit card you must have money in your bank account.

When you pay for something on your credit card you are borrowing money from the bank.

The bank will charge you interest on your credit card if you don't pay it back the next month.

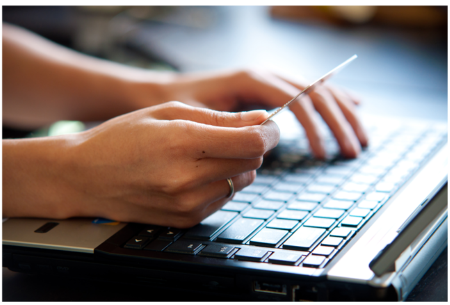
Interest is an amount of money that the bank or credit card company will charge you for borrowing money from them.

When you apply for a credit card the bank or credit card company will do some checks on you.

This is to see if you've had problems with money in the past and to make sure you will be able to pay the money back every month.

If all the checks are ok you will be given a credit card. The card will have a credit limit on it.

A credit limit is the amount of money that you can spend up to on your card.



You will then be able to use your credit card in shops and pay for things over the internet.

Every month the bank or credit card company will send you a statement.

The statement will tell you how much you have spent on your credit card and how much you owe. This is called your balance.

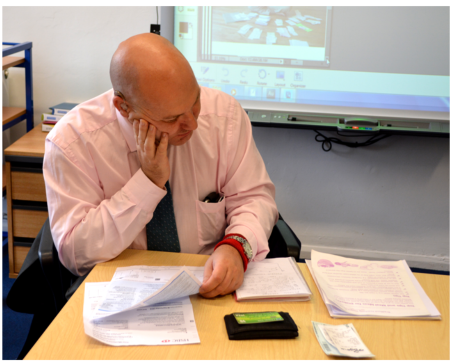
It will tell you any interest or charges that have been added to your account.

It will tell you the date that you have to make the payment by.

You can pay the whole amount that you have spent on your credit card or the lowest amount that the bank say you must pay every month. This is called the minimum payment.

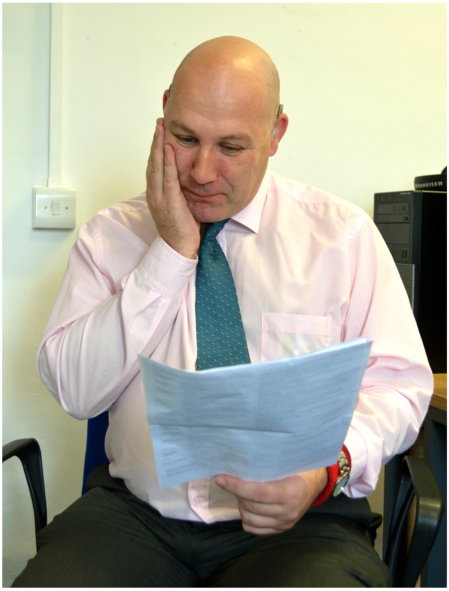
If you pay the full balance on your credit card by the date the bank tell you to they will not charge you any interest.

If you don't pay everything you owe, the bank will charge you interest on the amount that is left to pay. This will make the amount you owe the bank or credit card company bigger.



If you can only afford to pay the minimum payment every month it will take a long time to pay back the balance.

You can pay off more than the minimum amount if you want, but it is best to try and pay the full balance every month.



Sometimes banks and credit card companies will make you pay a fee.

A fee is an amount of money. You will have to pay a fee if you don’t pay your monthly payment.

You will have to pay a fee if you use your credit card in a different country.

You will have to pay a fee if you use your credit card to take money out of a cash machine.

Lots of shops have their own type of credit cards. These are called store cards. You can only use them in the shop where you got the card.

Just like a credit card you can buy something in the shop then pay for it at the end of the month.They are only worth having if you normally spend a lot of money in the shop.

Store cards charge even more interest than credit cards. It’s best to pay the full balance on the card every month.

If you are using your credit card a lot but not paying off the full balance every month you might get into money problems. It could take you years to pay the full balance on the card.

If you are having problems with your money you should tell someone like a family member, friend or support worker.

You should also talk to your bank or credit card company.

Useful Websites

www.moneyadviceservice.org.uk

An independent service set up by the government to help people manage their money.

www.nationaldebtline.co.uk

Free and private advice on how to deal with debt problems.

www.citizensadvice.org.uk

The Citizens Advice Bureau help people with all sorts of problems. If you live in Bradford, you can get help with debt by calling

01274 758 047

This booklet was made by those who need accessible information working with btm.

For more information or extra copies please contact:

btm
the home of accessible information

11-12 Eldon Place
Bradford BD1 3AZ
Telephone: 01274 848150
SMS / Text: 07976 825433
E-mail: enquiries@btm.org.uk

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