



CREDIT AND CHRISTMAS – COMMONWEALTH BANK'S COMMONSENSE TIPS

28 November 2003: The Commonwealth Bank has produced some timely tips on using credit cards wisely in the Christmas season.

Group Executive Retail Banking Services, Hugh Harley said informed usage of credit was the key. "Credit cards which offer up to 55 days' interest free on purchases and payments provide safe and convenient means of doing the Christmas shopping", he said. "The trick is knowing how to avoid having too much of a 'credit hangover' in January".

"By following some simple, guidelines, credit card holders can actually manage their finances better and improve budgeting and forward planning to get over financial humps such as rates and insurance bills", Mr Harley said.

"So, here are six practical points for using a credit card wisely, at Christmas or in fact all the time: -

1. Establish a budget and stick to it. Use your credit card as a short term financial tool to help smooth out some of the financial humps;
2. Know your spending limit – and aim to pay back as much as you can by the next due date on your statement. Don't miss a monthly payment. Note your payment date in your diary or calendar, or set up an automatic payment facility;
3. Choose a card that matches your spending habits and requirements. Most banks offer cards with either up to 55 days' interest free or no interest free periods. If you have an interest free period card, save on interest by paying off the full amount owed by the due date. The no interest free period card charges interest from the day of purchase, but usually has a lower interest rate;
4. Rewards schemes are attached to many credit cards and can provide valuable benefits including gift vouchers in recognition of card spend. However, do not exceed your planned budget/spending limit simply to earn rewards points;
5. Cash advances should only be used for emergencies as they attract interest as soon as you have the money;
6. Stop using your credit card and seek help if you are finding it hard to manage your credit. Contact your card provider or a credit counselling service."

ENDS

Media contact:
Steve Cookson
Group Corporate Relations
Commonwealth Bank
Ph 02 9378 2504
Email cooksos@cba.com.au