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A GUIDE TO USE CREDIT CARDS

*Consumer Protection
Department
State Bank of Pakistan*

What is Credit Card?

A **credit card** is a small plastic card issued to users by the banks and credit card companies as a system of payment. It allows its holder to buy goods and services based on the holder's promise to pay for these goods and services. The issuer of the card creates a revolving account and grants a line of credit to the consumer (or the user) from which the user can borrow money for payment to a merchant or as a cash advance to the user.

Credit card holders are advised to observe the following guidelines for their safety:

Choosing a PIN

- Do not use a number or numbers that can obviously be associated with you – for instance your telephone, birthday, driving license number or popular number sequences (such as 1234,8888, 2011 or 0000).
- Ideally choose a random combination of numbers as PIN such as 3891, 5962, 7281 etc.
- If you have multiple bank cards, use different PIN for each different card.
- Change PIN at frequent intervals.
- Don't let anyone else know your PIN. If for some emergency reason, you ask somebody else to use your card on your behalf, be sure to change your PIN as soon as possible.
- Neither your bank nor any agency is authorized to ask you to disclose your PIN.
- Always take reasonable steps to keep your card safe and your PIN secret at all times.
- Memorize your pin and other access numbers and never write down or record on card or at a place easily accessible by others.

Protection of Cards:

- Double check to make sure you have your card after every purchase.
- Never leave your card unattended and never let it out of your sight.
- Destroy unwanted or expired cards immediately. Cut up cards so no one can read the numbers.
- Sign on the back of your new card as soon as you get it.
- Carry fewer cards. It will reduce the risk of stealing. In case of multiple cards, make a list of all your cards and their numbers and keep it in a safe and secured place.
- Shield your card properly and follow basic principles of card storage. Cards are sensitive to mechanical, electromagnetic and sun impacts.

Credit Card Usage

- Read all the terms and conditions of the credit card agreement thoroughly.
- Credit cards are just like a loan -- you have to pay what you owe -- so try not to overcharge than you can afford to pay.
- Save your credit card receipts. Compare them with your monthly bill. Promptly report problems to the card issuing bank.
- Never lend your credit cards to anyone.

- Request your bank a due date that is easy to remember and works well with when you get paid.
- Do beware of shoulder surfers when using your card in ATMs for cash withdrawal. As much as possible, shield the screen and the keypad with your body when you enter your PIN.
- When you use your card for purchases, make sure that it is swiped in your presence and not swiped on multiple devices.
- Upon processing your card transaction, check and confirm the details filled on the charge slip, before signing it.
- Sign on the charge slip the same way you have signed on the reverse of the card.
- Dispose statements, charge slips and bank mails before disposing off your card.

Checking Statements

- Before you pay your credit card bill, compare the charges on your bill with your actual usage.
- File your credit card receipts throughout the month, and then use them to check your bill. If you notice charges that you did not make then report them to your credit card customer service department immediately. Make it a habit to check your credit card bill for extra charges every time your bill arrives.
- Know when your new credit cards or credit card bills should arrive in the mail. If they don't arrive when expected, contact your credit card Issuer.
- Reconcile your transactions regularly with credit card statement. If your credit card statements don't match, then inform the same immediately to the bank.
- Regularly see your credit card billing statement to check your payment due date and important announcements about changes to your credit card terms.

Credit Card Payments

- Pay your credit card bill on time, and in full when possible. If you don't, you'll have to pay finance charges on the unpaid balance-and it takes forever to get caught up if you just pay the minimum.
- Clearing of cheques takes a few days before the amount is credited into the account. Therefore, if you make payment through a cheque, deposit your crossed cheque at least three working days before the due date to ensure timely payment of your credit card bill.
- Most credit card issuing banks give you the option of maintaining your account online and signing up for auto debit of account to pay minimum amount due or full outstanding balance.
- If you make card payments in time, this will help building a good credit history and will put you in a better position for availing other loans as well.

Internet/Online Transactions

- Be wary of internet purchases. No site can completely guarantee the security of your credit card.
- Don't send credit card or account details by e-mail and never give your PIN on the Internet.
- Avoid any email that asks you to follow a link to website and input account details for verification.
- Deal only with established and reputable merchants and read a company's privacy policy before buying online.

- Some sites require a credit card number before allowing a view of the "goods" for sale. Be aware that in many cases this result in a credit card charge whether you wish to buy or not.
- Only make payments to secure websites - look for the padlock symbol in the bottom-right of your browser and click for details.
- Ensure you are fully aware of any payment commitments you are entering into, including whether you are instructing a single payment or a series of payments.
- If you make an online purchase, print out a copy of the transaction for your records.
- Ignore the "remember my password option" on banking and shopping sites.
- Make sure you log out of your online account when finished - especially at work, libraries and net cafes.

Cash Advance Facility

- For every cash advance, the banks usually levy a fee as per Schedule of Charges from the transaction date till the time payment is made by you.
- The interest rate charged on cash withdrawn from credit card is usually higher than normal lending rates.
- Some banks also charge cash advance transaction fee, as defined in respective banks' schedule of charges. This fee will be charged at either flat rate or percentage of cash advance transaction amount.
- Try to keep your account balance within your assigned credit limit to avoid excess-over-limit charges.

Credit Card Fraud/Theft

- Sign your credit cards immediately after you receive them. Know when your new credit cards or credit card bills should arrive in the mail. If they don't arrive when expected, contact your credit card company.
- If you discover that your card has been lost or stolen or that you have been the victim of a fraud, you should inform your bank immediately.
- Keep your Card issuer's contact information with you, so that you can have easy access in case of need.
- If any unauthorized charges are made in your billing statement, report them to your creditor as soon as possible.

Closing a Credit Card Account

- Approach your card issuer to request the cancellation.
- Dispose statements, charge slips and bank mails before disposing of your card.
- Cut your credit card vertically through the chip and magnetic strip in at least two pieces.