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Credit Card Uses Pros And Cons

Cardholders who want to use their credit cards smart should consider their spending habits, lifestyle, and the purchases charged to the card. For example, those who carry a balance may want to use a low interest credit card so that they avoid paying substantial interest charges. Cardholders who travel often may opt for an airline credit card and earn rewards points or frequent flyer miles.

Those who drive long hours to work or on business trips may choose a gas credit card, take advantage of the rebates offered, and save on fuel.

It is not recommended to carry a balance if you have a high interest credit card because you will pay more in interest. One strategy is to use the balance transfer options offered by [different credit card companies](#). Some credit cards come with up to ninety interest-free days. Some cards are also featured with very low introductory interest rates in the range 0 1.99 percent.

Making a balance transfer to such a card is also a good option if you have a high interest credit card. If you have a [bonus credit cards](#) should redeem the collected points before the expiration date. Surprisingly, many cardholders never get to use their bonus points. It is a good idea to check the accumulated points regularly and ask your bank's customer service how you can redeem them. It is best to learn your PIN and not carry it in your purse. If you carry the card and PIN number in your purse and it is stolen or lost, someone can take advantage of your credit card. If this happens, make sure you inform the credit card issuer immediately.

It is not recommended to withdraw money from your [credit card](#). The card issuer will charge a high fee for that and in some cases, a minimum charge applies regardless of the amount. Have some cash with you or use a debit card so that you don't resort to cash advances. It is best to pay the full amount each month rather than carry a balance. Not having money is one thing but having enough and carrying a balance is not the way to go.

Remember that banks charge late payment fees if you miss the payment date. Your credit rating will be damaged as well. If you want to apply for a personal loan, car loan, or mortgage later, your application may be rejected. Banks prefer creditworthy clients who pay the balance in full and know how to manage their finances. Finally, don't use multiple credit cards as you may lose track of your spending.

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