**Insurance October send plan**

**Subject line: How to utilise a credit card correctly**

**Preview line: A simple guide to credit cards**

**What is a credit card?**

A credit card is a safe, flexible way of payment that offers extra protection. It allows you to purchase goods or services without the immediate cost being withdrawn from your account. The credit card will accrue debt, which is expected to be paid at the end of each month with no extra cost. But credit cards can be super expensive if not used correctly, causing debt and high interest costs.

**How does a credit card work?**

Once you have been approved for a credit card, you will have an agreed-upon amount you can spend up to; this is called a credit limit. This is decided by the lender depending on certain variables, such as your credit history and income.

**What are the benefits of a credit card?**

* Interest-free if the payments are met every month.
* You can make the repayments at any time.
* Any payments made on your credit card between £100 to £30,000 are protected under the Section 75 Protection Act if you were to have a problem with your purchase.
* It will help improve your credit score if used and repaid correctly.
* There are several rewards and benefits with certain credit cards.

So, if used right and meeting the monthly repayments, credit cards can offer many benefits.

**Does a credit card suit your lifestyle? Contact us today for more information.**