

## Reward Schemes Under The Microscope

When investigating reward cards you may find that since most cards these days don't have to offer reward schemes, as people often sign up for the standard card associated with their account, there are few truly rewarding cards around. The most important thing to remember is to look around and see what is available to you and figure out whether these 'benefits' really will make a difference to you, and your current spending habits, or whether they're simply there to lure you in to signing up. Card reward schemes are only ever a beneficial way to spend when you are not being charged interest, so make sure you aren't losing out before you start.

Rewards may not always be what they seem - be aware of the conditions that apply in order to receive your rewards. Some credit cards appear to offer great perks but don't follow through - for example, the much-cited holiday insurance policy that many cards include as standard, may not be as good as it seems if, in order to claim back goods stolen or lost, you must claim within a strict time limit, and even in some cases be within a certain age range.

A common mistake people make is applying for a credit card appropriate to a lifestyle that they imagine themselves having in x amount of years, rather than the lifestyle they have right now. Perhaps they think that they can use a card to supplement their income until they receive some notional salary increase in the future, or choose a card that gives great deals on air miles even though they currently don't ever leave the ground! It is vital to look at your finances with brutal honesty and factor in all the unknowns that could hinder future repayments. There is simply no point in applying for a card that provides money off petrol if you don't own a car but intend to buy one at some point in the future, but you end up being unable to afford the monthly interest in the mean time.

Make a note of the date if your rewards or introductory offers have a time limit. Knowing when these expire and staying one step ahead of changes on your card will help you to maximise on these benefits before they run out. Since 2004, every card issuer has been required to issue new customers with all the small print relating to each card when a new card is issued and are required to explain fees and charges to customers in full. You can often avoid these charges by reading the small print, for example, you can make sure you are not paying an annual fee. Most cards no longer charge this fee, but it's worth checking in the small print that you're not one of the few who are still paying for the privilege of having a credit card. Some cards may also allow you to earn double the reward on basic family purchases when you add a trusted partner or family member to your card.

When you receive your chosen card make a note of introductory offer expiration dates e.g. the new nectar card offers double points for the first 3 months so making a date in your calendar of when this time limit is up and buying all of your bigger purchases within this time frame will help you to maximise on points as well as getting you onboard security under section 75 of consumers law if the product costs over 100.

No matter which type of reward scheme you choose it's important to remember the security a credit card offers. All purchases made on credit cards are protected protection under section 75 of the Consumer Credit Act. That means that the card companies are as responsible for faulty goods as the shop the item was bought at - perhaps that is the most useful reward of all.

## About the Author

Check out online what Emma Stephens says about [Credit Card Reward Schemes](#). She has summarised the various [benefits of Credit Cards](#), comparison site information, lifestyles and other considerations

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