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**consumer news**



## Credit Cards

### *Using the right card*

If you are using a credit card for your shopping (in person, online, or otherwise), there are a number of things to keep in mind. Having the right credit card could help you save money by avoiding unnecessary fees, gaining optional services, and even rewards. Be sure to set a limit on your spending and stick to your budget, so you can manage your credit card debt. Also, learn how to protect your credit card account and know what to do if you are a victim of credit card fraud, or if you detect billing errors.

#### **Finding the best credit card for you**

When considering a new credit card, if you already have a relationship with a bank or financial institution, you might want to see what credit card offers they have.

Be sure to compare credit card annual percentage rates (APRs), fees, and other terms. For example, some cards might offer a great reward program or discounts, but charge an annual fee. Other credit cards offer low rates for the first year, but your interest rate will increase the following years.

Some credit cards offer rewards programs, read [FDIC Consumer News Rewards Cards – Minimize the Pitfalls, Maximize the Benefits](#) for more information.

Credit cards can have optional features or services such as credit protection or identity theft protection. Consider whether you need these services. Contact your credit card issuer and have the issuer explain the service, if you need more information.

#### **How to control credit card debt**

Setting basic rules (and sticking to them) can help you maintain your credit card debt. For example, you might consider using your debit card or cash for some purchases, such as for items under twenty dollars. If you are carrying a credit card balance from month to month, you will pay interest on that amount. You might set goals to pay off or reduce your balance within a certain time period. In addition, you should try to avoid using your credit card account for cash advances. Credit card cash advances increase your overall balance due, and frequently incur transaction fees and potentially higher interest rates on the cash amounts. Committing to small goals to reduce your credit card debt can really save you money. [FDIC Consumer News Take a Look at Your New Money Habits](#) has tips on organizing your finances.

#### **Disputing errors on your credit card billing statement**

Billing mistakes, such as being charged twice for an item or being charged more than the purchase price, sometimes happen. Catching any errors can save you money. Here is what you should do to address errors on your credit card billing statement:

- **Review your credit card statements when they arrive.** Make sure the

information on your statement is accurate, such as your balance and any charges.

- **Report any errors to your credit card issuer.** You should report any erroneous or fraudulent charges to your card issuer as soon as possible.
- **Pay the accurate or undisputed charges.** Although you are not required to pay the disputed charges or fees until your card issuer investigates and resolves them, you are still responsible for the other charges on your credit card billing statement.
- **Verify if the errors were addressed or fixed.** Your card issuer will research the issue you reported and get back to you, within two statement billing cycles about what they found in their research, what actions they took, and if you owe anything. If you do owe the amount, the issuer will also let you know when it is due.

### Protecting your credit card information

Be sure to protect your credit card information. Do not provide it to unfamiliar parties, such as in response to unsolicited requests, without confirming their legitimacy. Refer to [Beware, It's a Scam!](#) To learn more about avoiding phishing, smishing, vishing, and other scams.

Do not share your credit card information in a public place where scammers or fraudsters can see it or hear it, and steal it from you. When making purchases online,

make sure the website is legitimate and secure. Check that the website you are on has “https” at the beginning of its URL with a lock symbol:



This symbol means the site has a protected network connection. Websites with “http” at the beginning of the URL with no “s” are more vulnerable to attacks by scammers who steal credit card information by monitoring network traffic.

Also, be aware of pop-up windows that appear while you are on a website asking for your credit card information to receive coupons or to win free items. If you believe your credit card information was stolen or lost, contact your card issuer as soon as possible. You will also want to monitor your credit card account for any unusual activity or transactions. Refer to [What You Need to Know About Credit and Debit Card Billing Issues](#) and [Banking at the Speed of Technology](#) to learn more.

Try the [How Money Smart Are You?: Using Credit Cards](#) game for helpful lessons on how credit cards work, so you can more effectively shop around for one that meets your needs. The game and its resources may help you better understand how credit cards work and how to manage them in your life.

Having the right credit card for your needs, managing your credit card spending, and keeping your credit information secure will help safeguard your shopping experiences.

### Additional Resources

[FDIC Consumer News Shopping Online During the Holidays](#)

[FDIC Consumer News Start the New Year in the Know](#)

[FDIC Consumer News What You Should Know About Gift Cards](#)

[Consumer Financial Protection Bureau \(CFPB\): Credit Cards](#)

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