



Credit cards offer a convenient way of paying without cash.

### How they work

When you make purchases with a credit card you are borrowing money, and your balance goes up.

When you pay off your credit card you are repaying this borrowed money, and your balance goes down.

### What if overdue?

If you don't make your payments, your account will become overdue. That means your unpaid balance will start to accrue interest, in addition to any fees or penalties for missed payments, and you'll end up paying more. Not making your payments can also cause your credit score to fall.

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### How to use wisely

To use credit cards wisely, keep your balance below 30% of your credit limit, such as \$300 on a card with a limit of \$1,000. You should also try to:

Pay your balance in full each month.

Use automatic payments so that you never miss a bill.

Remember to stick to your budget even when paying with credit, as it can be tempting to spend more with a card.

If you use your credit cards responsibly and pay bills on time, they can help you build a good credit history.