Advantages and Disadvantages of Debit Cards

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Some of the advantages and disadvantages of debit cards are as follows-

Advantages-

1.Any consumer who is not credit worthy or finds it difficult to obtain a credit card can more easily apply a debit card, allowing to make plastic transactions.

2.The debit card user can use the limited amount available in his account, thereby preventing the user from racking up debt as a result of its use. Such cards do not charge any interest, late fees, or fees exclusive to credit cards.

3.Debit cards removes the hassles associated with having writing checks as payments like showing ID or give out personal information at the time of the transaction.

4.Besides avoiding check writing altogether, check cards debits funds from the userâ€™s account on the spot. This in turn finalizes the transaction at the time of purchase and unlike a credit card doesnâ€™t require paying any bill at a later date. Moreover a debit card doesnâ€™t require writing an insecure check containing the holderâ€™s personal information.

5.Unlike credit cards, debit cards donâ€™t charge any higher fees or interest rates when cash advanced is obtained. A debit card user can obtain cash from an ATM or a PIN based transaction at no any extra charge, other than a foreign ATM fee.

Disadvantages-

1.Unlike credit cards, debit cards donâ€™t provide its users with any grace period. They are quick and pay now deal.

2.Debit cards provide lower levels of security protection than credit cards. Theft of the users PIN using skimming devices is much easier than with a signature-based credit transaction. If your wallet is lost or stolen, the thief will likely have all the information they need to use your debit card for internet transactions.

3.Debit cards have pre-set spending limits. One can spend only with the amount available in his/her account.

4.Another peril the debit card users face is accidental charges. Many banks charge an overdraft fee, for money transaction and many also set a limit of daily, weekly or monthly transactions you can use your debit card for. And crossing this limit can also result in serious charges to your account.

5.Debit Cards do not allow you to build your credit history.

Debit Card is an electronic card issued by banks to customers. With the help of debt card one can purchases without carrying cash and accessible to all the bank for money transaction as per bank tie up.

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Debit card liability could cost you a lot. Contact a national asset commercial to minimize you debt.

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