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Are you credite?

The credits are important from every aspect of the financial world. The world is moving towards the user interface easy accessibility. The better user

interface is what the financial world sought out and introduced the credit cards in the market. The credit cards are payment cards issued to the users. The

fair trade policy is signed between the card issuer and the card users.

A revolving account and the grant line of the finances are issued by the issuer. The payment is made by the user to the merchants. The issuer can be a

bank.

How does it get credited?

The amount is paid by entering a PIN-(Personal identification number).

The world has gone indeed gone invisible. A term called the card not present transaction (CNP) validates the user through verbal authorizations and

electronic authorizations. The other mode that further does the validation or verification is the credit card payment terminal or point-of-sale. The

magnetic strip or chip releases the data on the card. In the United Kingdom, it is credited as chip and PIN.

A financial statement is sent to the credit card userâ€™s address, which includes the all the transactions credited each month are mentioned.

Whatâ€™s cooking in for you?

â€¢ You are convenient handling all the transactions.

â€¢ You are liable to a short term loan quickly without any calculations for the remaining funds.

â€¢ Afraid of fraud? No worriesâ€¦credit cards are less fraud prone.

â€¢ The benefits and rewards- bag a lucrative deal.

â€¢ Merchants are in for a secure deal. It serves to be a safer mode of transaction preferred to cheques. The payment responsibility lies with the bank

even if the customer funds duck.

â€¢ The evaluation of the credit history is as well done by the bank. The merchants can well be relieved.

Whatâ€™s bad for your financial health?

The higher interest rates can lead to bankruptcy: You miss a payment and some companies offering credit card luxuries can turn bitter by putting 20% t

o30% of the levy.

The consumers face inflated pricing: The interchange fees and discount fees have to be paid by the merchants on all transactions. Resulting, the merchants

sometimes charge their due for interchange fee.

The expenditure machine: The surveys have revealed that the consumers using credit card are likely to spend more. You sure are not going to mind spending.

If you really are worried about spending more, a warning bell for you.

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