

Spending Hacker

Spend Less and Get More
Digging Up Deals You Actually Need and Use

Best credit cards in Australia

Have you ever heard the term OPM?

Well, if not, it means "Other People's Money".

Sometimes it is wiser and makes more sense to not spend your own money but instead use OPM for your purchases. The only thing you need to remember is that usually, when using OPM, you need to pay it back to someone and more often than not, with interest!

A credit card is one such OPM tool and has become a ubiquitous part of life in the modern world. Like most tools, it can be used in a way that is very beneficial to you but used improperly, can absolutely destroy you and put you on a rolling debt spiral on the fast track to the poor house.

Also, the type of credit card product you get, its features as well as the associated interest rate and fees can make a HUGE difference in your finances.

Let us assure you, getting this one wrong will hurt you and bring more grief to your life than getting the wrong type of phone or that pair of shoes you bought during the latest sale which you really liked at the time but now realised that don't quite fit you after all.

We don't want this to happen to you.

Like we already said, credit cards are an important part in the toolset of the modern consumer. They allow both personal consumers and businesses to better 'smooth out' their expenses to correspond better with their individual cash flow patterns. It also allows you to keep your own money for longer and either earn interest on it or use it for other purposes.

© Copyright 2017 [Spending Hacker](#)

This report is intended for your personal use only. No unauthorised reproduction or retransmission allowed.

However, credit cards also have a 'dark side' and those who ignore it, do it at their peril! Unless you pay your outstanding balance **in full** by its due date, your purchases will start occurring interest *from the day they were made* (NOT from the due date on your credit card statement, this is a common misconception).

The **INTEREST RATES** on credit cards are nothing less than exuberant and are often around the 20% mark (especially if they include some sort of a rewards scheme) and once you start facing those rates, it's like being hit in the stomach (or the groin for our male readers) - It's very hard to get up and recover from that and to extinguish your debt.

Also, credit cards come with another sting in their tails: **FEES & CHARGES**.

Before you even start using many of them, you are hit with an annual fee and sometimes also an annual rewards program fee. Then, once you already use them and maybe exceeded your credit limit by accident, you cop a fee. Try and use it to make purchases overseas or online (to, god forbid, try and bypass the ridiculously high prices we pay on everything in this country) and you cop another fee. To make matters worse, this currency conversion fee (sometimes also referred to as 'foreign currency', 'foreign transaction' etc) is charged as a *percentage* of the purchase amount rather than a fixed dollar amount and can range from anything between 2% and 4%. OUCH!

Now, we're sure that the following question will be on the minds of many of you: "What about all those reward schemes like flybuy points and Frequent Flyer points? Are they worth the fees associated with having access to them?"

Well, the short and simple answer is: NO!

The longer answer is: only if you can negotiate a special deal whereby those fees are significantly reduced or waived altogether. This is often possible when the financial institution is running a promotion to entice *new* customers (remember what we said about loyalty in one of our other reports?) and offers to waive any annual fee and/or rewards fee for the first year *only*. A more permanent solution is available to those of you who have, or are about to take, a mortgage with a particular financial institution and opted to go for one of their so-called 'packaged' loans whereby you pay a single annual fee for the 'package' and in return get discounts on your mortgage rate as well as other benefits such as a waiver from annual fees on various credit card products, including those with rewards programs.

What you need to understand first and foremost is that the financial institutions and the various companies offering those reward schemes (Coles Flybuys, Woolworths Everyday Rewards, Qantas Frequent Flyer, Virgin Velocity Rewards etc) are making an absolute motza out of them! Those schemes are there to benefit them, not you!

They usually offer an atrocious conversion rate between those amorphic 'points' and anything of value and you are almost always better off just going out and buying what it is that you are after

© Copyright 2017 [Spending Hacker](#)

This report is intended for your personal use only. No unauthorised reproduction or retransmission allowed.

rather than accumulating the astronomical amount of points needed to 'redeem' it.

Bottom line, we don't like them and definitely don't think they are worth paying for .

When we come to decide on a credit card to recommend to you, we consider two things and two things only: fees and charges and interest rates. These are the things that *really* matter!

We want a card that is very very cheap to use which means low (or preferably no) fees and a low interest rate that will allow you to get rid of any debt you carry on any of your current cards FAST. The faster you get rid of the debt, the less overall interest you will pay and the quicker you will have extra money available for you to use on other and more productive things in your life.

Being the Spending *Hackers*, we have found such a card which we think fits the bill perfectly.

Introducing the [Zero Classic Mastercard](#) from Bankwest. This card comes in three different levels: Classic, Gold and Platinum.

The level you will qualify for is determined by the bank based on your income and the credit limit they will approve you for. However, regardless of what level you will get approved for, all card holders will get:

- ZERO annual fee for life with no strings attached. Plain and simple
- You will never be charged a fee for exceeding your credit limit. The bank will simply decline all transactions once the approved credit limit on your account has been exceeded.
- 55 Days interest free purchases (provided you don't carry any balance on the card)

If you are able to qualify for the **Platinum** level of Bankwest's Zero Mastercard, congratulations! You will now have, according to our research, the BEST credit card product currently available in Australia!

In addition to all the benefits described above, you will also pay no currency conversion fees when using your card overseas or online and will also get free overseas travel insurance for you and your traveling companion as well as an extra 12 months of extended warranty on any item you buy with this card. Unbeatable!

Those of you who qualify for the **Gold** level will also get the free overseas travel insurance and extended warranty, in addition to all the other benefits offered to the 'Classic' level, but will need to cough up the 2.95% fee of "Foreign Transaction Fee" for purchases made online or overseas in a currency other than Australian Dollars. If that's not good enough, read on.

© Copyright 2017 [Spending Hacker](#)

This report is intended for your personal use only. No unauthorised reproduction or retransmission allowed.

We suggest that each and every one of you tries to first get the Platinum Zero Mastercard from Bankwest unless you know for a fact that you probably won't qualify due to your level of income (If you make say below 50K p.a than you probably won't qualify), high level of outstanding debts or other blemishes on your credit file (a copy of which you can easily get for free by going [here](#)). The application is done [online](#) and most of you will get a response immediately.

For those of you who didn't (or unable to) qualify for the Platinum Zero Mastercard, it is now decision time: what's more important to you? Low fees or low ongoing rate on purchases?

If you are the kind of person that usually pays their credit card *in full* every month by the due date, we suggest that you focus on the **fees**.

If you tend to carry a balance on the card, we suggest you focus on the **ongoing interest rate** on purchases (after any promotional offer on balance transfers and/or purchases has ended).

We will now present the best credit card product for each of you, based on the decision you've made above (and assuming you didn't or can't qualify for the Platinum Zero Mastercard).

Low fees are more important

You should apply for the [28 Degrees Mastercard](#) from Latitude Financial (formerly known as GE Money).

The card has no annual fee, no over-the-limit fee and no foreign currency conversion fee (the ONLY other credit card in Australia with this feature other than the Platinum card from Bankwest).

The only thing you must remember with this card is that you MUST ALWAYS pay your monthly balance *in full* by its due date.

If you don't, you will be hit with an interest rate of **21%** on any outstanding balance. OUCH, that hurts!

Ongoing interest rate on purchases is more important

The **absolute lowest ongoing interest rate** currently offered on a credit card in Australia is **8.99%** and is offered by Community First Credit Union on their [Low Interest Black Visa](#) & [McGrath Pink visa](#).

Both cards have an annual fee of **\$40** but with the McGrath Pink Visa, half of this annual fee is donated every year by the Community First Credit Union to the [McGrath foundation](#) which

© Copyright 2017 [Spending Hacker](#)

This report is intended for your personal use only. No unauthorised reproduction or retransmission allowed.

provides support for women fighting breast cancer.

There is no fee if you need to have additional cardholders on the account but you will be charged \$25 if you don't pay at least the minimum amount by the due date. Their fee for foreign currency transactions is 3% of the transaction amount.

Given both cards have the same ongoing interest rate on purchases, same fees and the same qualification criteria, we suggest you grab the [Pink Visa](#) unless you have a strong aversion to carrying a pink card in your wallet.

Speaking of qualification criteria, both cards have extremely generous qualification criteria.

In order to qualify for any of these cards, you need to:

- Be over 18 years of age;
- Have a regular income;
- Not be currently bankrupt;
- Be an Australian citizen or a permanent resident;
- Not have had defaults on any Loans, Credit cards, Interest free finance or Store cards in the last 5 years; and
- Be in your current job longer than 3 months.

There are not many credit card products out there that offer such a level of 'fair go'.

Better yet, you are supporting a credit union, not some big banking behemoth and half of your annual fee goes towards helping women fighting breast cancer.

Can't get much better than this!

This brings us to the end of this report. Hopefully, you found it useful and it has helped you to clear the confusion and figure out the best product for you out of the hundreds of various credit card products currently available in Australia. This is what we are all about here at *Spending Hacker*.

Like all our other reports, this report will also be updated regularly to reflect changes in the offerings from the various providers as we are committed to making sure you continue to always get nothing less than the ABSOLUTE BEST deal.

Thanks for reading.

Important disclaimer: *This guide is provided for informational purposes only and does not constitute financial product advice. We are not licensed financial advisers and in compiling this guide, have not taken into account your specific financial situation and particular needs.*

© Copyright 2017 [Spending Hacker](#)

This report is intended for your personal use only. No unauthorised reproduction or retransmission allowed.

We strongly suggest that you never borrow money unless you are confident of your ability to repay it. Failure to repay the outstanding monthly balance in full will cause your debt to increase rapidly due to the effects of compound interest.

Only a licensed financial adviser is legally allowed to provide personal financial advice (including specific product advice).