

Making Sense of Your Finances – Credit Card Statement

Credit cards provide convenience and are useful for emergency. Do take time to read your credit card statement and pay your credit card bill in full every month in order not to incur interest charges. MoneySENSE brings you through the information in your statement you need to be aware of. For more educational information on credit cards, visit the MoneySENSE website at www.moneysense.gov.sg, or the Association of Banks in Singapore website at www.abs.org.sg.

This is the date the statement was issued. All transactions recorded between this statement date and the last statement date will appear on this statement.

This is the total credit limit under the two credit cards, 4565- and 4541-.

This is the date by which payment must be received by the card issuer before interest and a late payment penalty are charged. There is usually a time lapse of 20 – 25 days between the statement date and payment date called the grace period.

“Post Date” is the date the transaction is received by the card issuer. “Trans Date” is the date a transaction is made. This statement shows the transactions made under two credit cards, 4565- and 4541-). The “Post Date” might sometimes be later than “Trans Date” as the card issuer might record the transaction a few days after the transaction has been made.

Keep your credit card transaction slips and reconcile them against the transaction items listed in the statement. Inform your card issuer immediately if there are discrepancies

Reflects 2 cheque payments to settle the previous balance due for the credit card 4565-.

This describes the retailer at which a particular transaction is made. In this example, the \$237.15 transaction was made at NTUC Healthcare on 25 July.

This is a foreign currency transaction. In this case, the transaction item is billed in US Dollars and converted to Singapore Dollars. Foreign exchange rates used to convert credit card transactions charged overseas into local currency may vary day-to-day and from bank-to-bank. The card issuer should explain the method of applying the exchange rate to foreign currency transactions and any other fees or charges. This is usually in the form of an explanatory note printed at the back of the credit card statement.

Late charges are levied for the credit card 4541- as the minimum payment for the amount outstanding in the last statement date was not received by the last payment date. Late charges vary among card issuers.

Interest is charged when the previous outstanding amount is not paid in full by the payment date and is rolled over. Depending on the card issuer, interest can be as high as 24% per annum.

21 AUG 2005

STATEMENT DATE		TOTAL CREDIT LINE		PLEASE PAY BY	
21 AUG 2005				11 SEP 2005	
Please examine this statement immediately. If no discrepancy is reported within 14 days from the date of this statement, the account will be considered as correct.					
POST DATE	TRANS DATE	DESCRIPTION OF TRANSACTION		TRANSACTION AMOUNT (SGD)	
VISA 4565-					
PREVIOUS BALANCE				15,081.48	
26 JUL	26 JUL	CHEQUE PAYMENT		10,000.00	
12 AUG	12 AUG	CHEQUE PAYMENT		5,081.48	
29 JUL	27 JUL	DFS VENTURE (S) PTE LTD SINGAPORE		400.00	
18 AUG	16 AUG	CHINA CLUB INVESTMENT SINGAPORE		591.98	
SUB TOTAL				991.98	
4565-					
PREVIOUS BALANCE				0.00	
26 JUL	25 JUL	NTUC HEALTHCARE SINGAPORE		237.15	
02 AUG	02 AUG	PARKWAY HOSPITALS S PL SINGAPORE		63.00	
SUB TOTAL				300.15	
4565-					
PREVIOUS BALANCE				0.00	
05 AUG	04 AUG	YAH*YAHOO SM BUS/MAIL 401		USD 26.90	45.14
SUB TOTAL				45.14	
TOTAL BALANCE FOR VISA				1337.27	
VISA 4541-					
PREVIOUS BALANCE				7,887.16	
13 AUG	13 AUG	LATE CHARGES		25.00	
21 AUG	21 AUG	INTEREST		297.64	
SUB TOTAL				8,209.80	
4541-					

21 AUG 2005

POST DATE	TRANS DATE	DESCRIPTION OF TRANSACTION	TRANSACTION AMOUNT (SGD)
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JUST A REMINDER THAT YOUR ACCOUNT IS NOW OVERDUE. PLEASE MAKE PAYMENT TODAY IF YOU HAVE NOT DONE SO. THANK YOU.

Notification that outstanding amount for credit card 4541- is overdue and payment must be made immediately.

Notification that outstanding amount for credit card 4541- must be made immediately

Instruction that the payment date is 11 September. Card issuers are required to disclose the late payment charges and the finance charge or interest chargeable on roll over balances. These changes may differ from bank-to-bank.

Please detach and send Payment Advice with cheque.

PAYMENT ADVICE

PLEASE PAY BY 11 SEP 2005, UNLESS OTHERWISE INDICATED. All cheques should be made payable to Please write the amount to be settled on each card on the last column below. Please write your Card Account Numbers on the back of your cheque. Please settle this statement promptly. If the minimum payment is not received by the "Please Pay By" date, a late charge (calculated at 5% of the minimum payment or S\$25, whichever is higher) will be levied. If payment is not made in full, a finance charge will be assessed at 24% per annum on the outstanding balance and all new purchases on this statement from their respective posting dates. Cash Advances do not qualify for any interest free period.

ACCOUNT NUMBERS	AMOUNT DUE	MINIMUM PAYMENT	PAYMENT AMOUNT
4565-	1,962.63	99.00	
4541-	26,051.63*	1,698.00*	IMMEDIATE*
TOTAL	28,014.26	1,797.00	

Summary of amount due and minimum payment for credit cards 4565- and 4541-. Always pay off the entire amount by the payment date to avoid penalty charges and interest charges. If you pay only the minimum sum, interest will be charged on the outstanding balance. As interest is compounded monthly that you roll over your outstanding balance, you may find yourself with substantial interest charges and increasing difficulty in paying off the whole bill

Cheque No. _____ Bank / Branch : _____

Note: Only part of this credit card statement is featured in this article.

Other Tips:

- Use credit cards only when you can afford to pay off your monthly bill. Do not lose track of how much you have spent.
- If you pay the minimum sum monthly, you are paying interest on your outstanding balance. This interest will be compounded if you continue to roll over your outstanding balance month after month. So try to pay off the entire sum as fast as possible. Also pay your bills promptly to save money on late charges.
- Set a monthly budget for your credit card spending and keep track of your expenses. If having a credit card makes it hard for you to resist overspending or to keep track of expenditure, do not take up too many credit cards or use a debit card instead. With a debit card, you can only spend up to the amount you have in your account. By being disciplined in your credit card spending and using credit responsibly, you can avoid the debt trap.
- If you do not pay your debts on time or are unable to repay them at all, this will be reflected in your credit history. This will affect future loan applications even after you repay your debts.
- Avoid spending to your credit limit as you will not be able to use the credit card for emergencies. Temporary adjustments in the credit limit is regulated and subject to approval.
- Immediately inform the card issuer if you have misplaced your credit card. Otherwise, you might be liable for any unauthorised charges incurred on your card.

This information is provided by the Monetary Authority of Singapore and the Association of Banks in Singapore as part of the MoneySENSE national financial education programme.