
Understanding credit cards

A credit card is a convenient mode of payment that allows immediate purchase of goods and services without using cash. Smart credit card usage means responsible credit card use and responsible credit card debt management. Credit cards can empower you with full control of your finances if used responsibly. Here, we hope to be able to help you make the right decisions when it comes to using your credit card.

- [How do credit cards work?](#)
- [What are important financial terms I should know?](#)
- [What are the pros and cons of credit?](#)
- [What should I consider when choosing a credit card?](#)
- [What are smart ways of using my credit card?](#)
- [What is credit card fraud?](#)
- [How can I protect myself from credit card fraud?](#)

How do credit cards work?

- Credit cards allow you to make purchases up to a certain limit called 'credit limit'.
- This credit limit is the maximum amount you may charge on a card, and is set based on the information provided when you apply for a credit card.
- You will receive a monthly statement which will show you
 - the transactions you've made with your credit card since your last statement.
 - the total amount to be paid to the Bank for these transactions done. This is the amount that you owe the Bank.
 - the minimum repayment that you can make, if not the total amount, before a deadline.
- You may pay the minimum repayment (also known as minimum repayment due), pay more than the minimum, or pay off in full before a deadline. The corresponding amount of credit available is then restored for your continued use.

What are important financial terms I should know?

- **Statement (also called "bill"):** A detailed listing of transactions made by a credit card holder. A credit card statement (or credit card bill) is sent to a credit card holder once a month.
- **Cycle Date:** A credit card billing cycle is typically 1 month. At the end of each cycle is a Cycle Date where a statement will be mailed/email to you on the purchases you have made with your credit card for that 1-month period. In between cycle dates, you can make purchases i.e. charge up to your credit limit, without incurring additional charges.
- **Statement balance:** The amount you owed on the day the statement was prepared. It includes any finance charges and late fees.

- Credit limit: The amount of credit you can use to make your purchases.
- Previous statement balance: What you owed on the day your previous statement was prepared.
- Outstanding Balance: The amount you owe the Bank on purchases made with your credit card. This is the amount outstanding for your repayment, but a portion of it is the minimum repayment that must be settled, otherwise an interest is charged on this minimum repayment.
- Minimum monthly repayment due: What you must pay. Typically you are required to pay the higher of (a) and (b) below:
 - (a) The aggregate of the following:
 - (i) 5% of the new balance* (excluding the contracted monthly instalments referred in (ii) below); and
 - (ii) 100% of all contracted monthly instalment amounts including for any instalment payment plans, balance transfer plans and any auto balance conversion ("ABC").
 - (b) RM50

For more information on what is ABC, who is eligible to qualify for ABC and how ABC works, please visit www.ocbc.com.my/personal-banking/Cards

*As defined in OCBC Cardmember's Agreement.

Whatever is in excess of the minimum repayment due and is not paid, will be carried forward, but this portion is subject to finance charges.

- Repayment due date: The last day (or deadline) for you to pay, and thereafter additional charges will be imposed for late repayment.
- Cash advance: You can withdraw cash with your credit card at an ATM machine. You need a personal identification number (PIN) to use an ATM.
- Statement date: The date the statement is prepared. Any charges to your credit card after this date will appear on the next statement.
- Finance charge: The interest charged on the outstanding balance after the repayment due date.
- Transaction details: Records of the purchases and cash withdrawals you made, giving dates and details for each.
- Late repayment charge: The charge imposed if you fail to make the minimum repayment by the last day (or deadline). This will be added to your outstanding amount for your repayment in the following month's statement.
- Charge Slips (or receipts): This is a slip that you sign when making a purchase to authorise a charge to your credit card.
- Credit Card Issuer: The Bank that issued you the credit card (i.e. OCBC Bank).

What are the pros and cons of credit?

Here are some advantages and disadvantages to consider when using your credit card.

PROS	CONS
Quick, easy and convenient to use (e.g. for hotel/airline bookings and cashless transactions for big ticket items)	Gives a false sense of purchasing power
Allows convenient recurring payments like insurance, phone, club membership and Internet payments	Future income is tied up to paying back due to overspending
Access to emergency cash	Exposed to security concerns when necessary precautionary measures are not practised
Card loyalty perks and benefits like cash back and insurance coverage	

What should I consider when choosing a credit card?

It is important to select one that will suit your needs and lifestyle, and also help you save. Here are some factors to consider:

1. Promotional rates
Fees and finance charges may be waived or reduced for an initial introductory period. Understand the terms and conditions for such promotions, and shop for the best rates.
2. Annual fee waivers
Compare these once-a-year charges and the conditions imposed for waivers.
3. Cash advance/balance transfer fees
You may be charged additional fees and finance charges when you use your credit card for cash advances or balance transfers.
4. Rebates and credit card promotions
Some issuers reward the use of credit card through rebates and promotions. It is up to you to decide which credit card offers benefits that will add value to your lifestyle.

For more details, please refer to OCBC Credit Card Product Disclosure Sheet.

What are smart ways of using my credit card?

When you're smart about using your credit card, it can be a useful tool to manage your finances better. Here are some ways to use it well:

1. Plan your shopping beforehand – never purchase on impulse and use your credit card prudently.
2. Be sure to pay your credit card bills on time to avoid unnecessary late repayment charges.
3. If you minimise your repayment period, you will avoid paying interest – so instead of paying just the minimum repayment amount, pay more or better still, settle your outstanding balance in full.
4. Determine your major financial goals to match the amount you need to put aside each month to achieve them. Be sure to factor in your credit card repayments when estimating your monthly expenses and stay on track with your budget.

What is credit card fraud?

Credit card fraud involves the charging of expenses or purchase of goods and services without the consent of the card holder. It is a threat that can cost losses to you and your credit card issuer.

How can I protect myself from credit card fraud?

1. Keep your credit card safe
 - Sign on it immediately with a non-erasable ball-point pen after receiving it.
 - Keep it in the same place so you'll notice if it's gone.
 - Do not lend it to anyone.
 - Should you not require your new/renewed/replacement credit card, please ensure you mutilate the magnetic stripe and chip by cutting the card and chip into halves before returning it back to the Bank.
2. Don't reveal your credit card information
 - Memorise your Personal Identification Number (PIN) immediately and destroy the PIN advice.
 - Don't write your PIN on or near your credit card, or disclose it to anyone including any employee of the Bank. Change it regularly for precaution.
 - Don't leave receipts lying around.
 - Shred anything with your credit card number displayed.
 - Do not enter your credit cards details on a website that is not secure.
3. Be aware at the ATM
 - Make sure no one observes you when you key in your PIN.
 - Remember to take your credit card from the ATM machine after use.
 - Make sure that there are no foreign devices attached to the ATM before using the machine.
 - Be wary of persons of suspicious characters before and after your transaction at the ATM. Seek the help of the Bank's guards if needed.
4. Monitor your monthly statements
 - Keep your charge slips or receipts to check against your statement.
 - Ensure there are no unauthorised transactions.
5. Notify your credit card issuer immediately of any error or unknown transactions Take quick action to notify the credit card issuer (or Bank) when you discover discrepancies on your credit card statement. Some credit card issuers may require you to provide written confirmation and a police report. You may be held liable up to a certain amount, depending on the terms and conditions.
6. Take safety measures when shopping online
 - Be familiar with the name and reputation of the company/seller you're dealing with.
 - Get details of your delivery/fees/warranties/return policies and other key information.
 - Keep good records by printing or electronically saving records of your transactions.
 - Ensure the website is secure before giving out your credit card information. Indications that the page you're viewing has a secure connection include:
 - i. A small yellow padlock symbol at the bottom of the page
 - ii. Its URL starts with "https://..." as opposed to the usual "http://..."
7. Report lost and stolen credit cards immediately Take quick action as soon as you realise your credit card is missing. Call your credit card issuer immediately to inform them of the loss. The issuer can stop the credit card immediately to prevent any unauthorised use. Make a police report to protect your integrity.

Important: Until you have reported the loss of your card to the Bank, the Bank will not be held liable for any unauthorised transactions made with the use of your credit card. If unauthorised transactions are made before the loss is reported, you will have to file for a dispute on your statement so that the Bank may conduct the necessary investigations. You will bear the losses arising from your negligence in safeguarding your Credit Card from loss or theft or the PIN from being disclosed, or your failure to notify the OCBC Bank, immediately after finding that the Credit Card is lost or stolen or PIN is disclosed or if you suspect an unauthorised transaction had been conducted. You must make a police report and a copy of the report must be provided to the Bank.

If you have reason to suspect any suspicious activity with regards to your OCBC Credit Card, please do not hesitate to call the numbers below.

Customer Service Hotline	603-83175000 Daily (8am to 10pm) 603-26914533 (After office hours)
--------------------------	---

View Product Disclosure Sheet

- [English](#)
- [BM](#)

View Cardmember's Agreement

- [English/BM](#)