



Credit card cheques won't bring borrowers comfort and joy this christmas, warns moneynet

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PR9.NET December 01, 2005 - Credit card cheques won't bring borrowers comfort and joy this christmas, warns moneynet

- Moneynet supports Government's sentiment on unsolicited credit card cheques
- Borrowers at risk of compounding Christmas debts

Consumers using credit card cheques to cope with their Christmas expenses will find their debt weightier than ever after the festivities are over, warns online personal finance comparison service Moneynet (<http://www.moneynet.co.uk>)

"We have always advised consumers to avoid credit card cheques like the plague," said Moneynet chief executive Richard Brown. "Many people have no idea that these cheques carry extra charges and do not work like the credit card in their wallet. It's unethical and irresponsible."

At Christmas, when finances are stretched to breaking point, these unsolicited cheques can be very seductive - it's tempting to take up what looks like a handy lifeline just to get through to next pay day, but the hangover that comes with them is very costly.

A Government consultation was launched last week to consider whether to impose a ban on plastic card cheques being sent to consumers who have not requested them. Consumer Minister Gerry Sutcliffe said unsolicited cheques could be banned in the future.

"There are several traps involved in using these cheques," said Brown. "Firstly, the amount spent is charged at a higher rate of interest than when making purchases using the credit card itself. Added to that is a handling fee of as much as 2%, plus there is no interest free period as with ordinary credit card spending.

"Sign your name on one of these cheques and you could find yourself paying as much as a massive £35 extra. There are many cheaper ways of borrowing for Christmas than this."

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