How Credit Card Debts go out of control

Description

What will it take for people to understand that owing money on your credit card is no joking matter? #dayrefinance

Yesterday, I spent a good 20 minutes trying to explain to someone who was pissed off that his ð??³ was charging him a $60 late fee AND interest for the original sum which he had already paid off + interest on the late fee.

Sounds ridiculous?

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No matter how unfair it is, I'm sorry but that's just the way credit card companies work.

The guy was pissed because his payment due date is usually at month's end i.e. 30 or 31st of each month.

So for April, this fell on a Sunday, and since banks don't open on a Sunday, he decided to wait till the next working day to transfer.

Which was 2nd May, since the 1st was Labour Day, a public holiday.

Well, guess what sort of nasty surprise he got in the mail this week?



HA.

He spent a good 15 minutes trying to justify to me why it was ridiculous for him to be charged these extra fees. I tried explaining to him that *shrugs* this is just how credit card companies work. We just gotta deal with it.

And he got mad pissed off at how unfair the whole situation was. No point leh, I also cannot help. I'm not UOB.

He then said he's gonna refuse to pay the $60 late charge and $4 interest. I said, don't be cray, UOB will then send you another statement next month and it'll look like this:

Owed in May: $60 + $4
Owed in June: $60 + $4 + $60 + $8 (for simplicity sake of illustrating my point I just used a flat fee of $4 each time cos I'm lazy but remember it is compound interest hor)
Owed in July: $60 + $4 + $60 + $8 + $60 + $12
Owed in August: $60 + $4 + $60 + $8 + $60 + $12 + $60 + $16

And that, my dear, is how people rack up massive credit card debts.

Still thinking I'm scaring you?

For what? Scare you I got money ah? *rolls eyes* ð???

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For those who are always shopping online, PLEASE learn how to read at least your own basic financial statements can? #dayrebeauty #dayremakeup this applies also to those who pay by ð??³ when eating out #dayrefatties or for their wedding #dayrebrides and even home appliances #dayrehomes

Also read @sgbudgetbabe:190517 to understand why OCBC credit card holders are in a worse-off position than UOB or DBS on this matter.

I'm not here to judge how much you spend it what you choose to spend because everyone has different earning abilities and spending preferences, but if you rack up huge ð??³ debt cos you didn't know how to keep yourself in check â?? DESPITE the fact that there's so much content on the Web and even on Dayre teaching you how to avoid it â?? then seriously you only have yourself to blame.



#dayreshopaholics please be careful k? At least don't spend more than you earn.



Credit card debt breaks up families..?

We're not the banks or credit card companies. We can't help you. But we DID warn you about these charges, yet some people choose to take it the wrong way and think financial bloggers are judging them for their spending *rolls eyes*

I'm a shopaholic myself so who am I to judge? I mean, I literally just spent $8000 last week on buying a stock, $75 on Taobao, and another $100 on makeup products on #Shopee (#shopeebeautybonanza is killing my wallet) this month ð???ð???

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Just because I don't post my #taobaohaul or #shopeehaul or whatever #makeuphaul doesn't mean I don't spend ð??? people jump to conclusions too quickly.

If you're not gonna manage your own credit card spending, no one else will.

Clearing off existing credit ð??³ debt seems like it'll be too dry for this space (is it the #dayrefinance dying out ð??¢) so I'll address the question on my blog in a separate post!

Category

1. Credit Cards
2. Savings