

CREDIT CARD INTEREST

See how borrowing costs grow.

PRINT IT. KEEP IT HANDY. MAKE A FAMILY PLAN.

1 START WITH THE BALANCE

Know what you owe.



Statement balance

Amount shown on your statement.



Due date

Date payment is required.



Minimum payment

Smallest required payment.



Purchase APR

Annualised rate for purchases.

2 WHY INTEREST APPEARS

Terms decide.



Grace period

Often requires paying in full on time.



Carry a balance

Unpaid purchases may attract interest.



Daily calculation

Many issuers calculate interest daily.



Special transactions

Cash advances may work differently.

3 SIMPLE ILLUSTRATION

Not an exact bill.



£1,000 balance

Example balance carried.



24% annual rate

Illustrative interest rate.



About £20

Roughly one month, using $24\% \div 12$.



Actual bill varies

Daily balances, fees and payments matter.

4 PAY LESS INTEREST

Use a clear plan.



Pay in full

When possible, by the due date.



Pay more

Above the minimum where affordable.



Stop new debt

Avoid adding purchases to a growing balance.



Ask for help

Seek free debt advice if stuck.

MY FAMILY PLAN:

Local alert source: _____ Emergency contact: _____

HOW CREDIT CARD INTEREST WORKS — SAFETY NOTES

Keep this page with your visual quick-glance guide.

1 THE EXAMPLE IS APPROXIMATE

$\pounds 1,000 \times 24\% \div 12 = \pounds 20$ is a simple teaching illustration, not a card statement prediction. Real charges depend on the lender's daily calculation, APR method, transaction types, payments and fees.

2 GRACE PERIODS MATTER

Many cards do not charge interest on purchases when the statement balance is paid in full by the due date, subject to terms. Carrying a balance can affect the grace period.

3 WHY MINIMUM PAYMENTS CAN BE COSTLY

Paying only the minimum can extend repayment and increase total interest. Your statement may show a repayment illustration; check it and consider paying more if affordable.

4 IF YOU CANNOT PAY

Do not ignore the lender. Contact them early and seek independent debt advice. Avoid borrowing more to cover repayments without a realistic plan.

MAKE IT PRACTICAL

Write your own local emergency number, contact details and relevant official alert service on page 1. Review the guide with your household.

OFFICIAL REFERENCE POINTS (check local rules):

moneyhelper.org.uk/en/everyday-money/credit

consumerfinance.gov/consumer-tools/credit-cards/

stepchange.org