

UK credit card

UK credit cards and balance transfers

Credit cards are pretty popular and in widespread use in UK. Credit cards are accepted at most shops and other merchant stores/outlets. As in the US, UK credit cards too are on offer from various banks and financial institutions. Again, UK credit cards too offer a number of benefits which vary from one UK credit card to another (though there are a lot of common benefits too which are same across various UK credit cards).

Due to the fierce competition in the UK credit card market, various UK credit card suppliers offer attractive balance transfer schemes too. There are some UK credit cards that offer 0% balance transfer for 9 months and there are others that offer 0% for 6 months. However, the catch here is that these UK card credit suppliers differ on their standard APR rate i.e. the APR rate which comes into effect after the expiry of the introductory 0% balance transfer offer. Further there are some UK credit cards that do not offer a 0% balance transfer but instead offer a better standard rate (APR) throughout. Some UK credit card suppliers combine 0% offers with accrual of points on a rewards programme. Another popular thing among UK credit cards is to combine cash back offers with balance transfers. Then there are some very attractive offers which give 0% not only on balance transfers but also on Purchases (for a short period like 5 month or so). You also have a few UK credit cards that can be procured by people with bad credit history too (of course, the decision on approval of such a credit card application will lie with the credit card supplier).

So what does one do if one wants to transfer balance to another UK credit card. Well, it's quite simple. You need to take stock of your current financial situation and determine if a period of 6 months or 9 months (or maybe even 12 months) would be sufficient for you to fully payback the dues on your UK credit card. If the answer is in the affirmative, just go ahead for the UK credit card that offers 0% balance transfer for this period (even if the standard APR rate is a bit higher). However, the assumption here is that once you payback the debt on your UK credit card, you will stick to controlled spending and will pay your credit card bills in full amount by the due date for payment; otherwise, the choice of a higher standard APR will hit you very hard and you will be in deeper trouble. However, if you think that 9 months is not sufficient to pay back the debt on your UK credit card, then you should look to strike a balance between the zero APR period and the standard APR rate, and choose a UK credit card which leads to the least total outgo (you will need to sit with a calculator and calculate the total outgo on various UK credit card offers).

This is the most basic aspect that you need to consider before you decide on which UK credit card is the best for transferring balance. Other things like 0%

on purchases, reward programmer points etc are secondary things.