

Choosing the Right Credit Card

A credit card is not a one-size-fits-all product. Here's how to choose the most beneficial card for you based on your spending habits, goals and credit score.

1 Know Your Credit Score

Some banks, such as CIBC and RBC, offer free credit scores as a perk.¹

Equifax and TransUnion (the two major credit bureaus) sell credit scores.²

Many personal finance sites will give you a free score and credit report when you register your email address.



2 Determine Which Card Fits You Best

I want to improve my credit score.

To improve your credit score, consider a secured entry-level card, which you open by paying a deposit. It's easier to qualify for and can help you build or repair your credit if used responsibly.

I want to earn credit card rewards.

A rewards credit card is a good choice if you pay off your balance in full every month and never accrue interest. These cards give you points, miles or cash back on every dollar you spend.

I want to save money on interest.

If you plan to use your credit card to pay off a major expense over time, a card with 0% intro APR and ongoing low interest rate may be an ideal match for you.

3 Narrow Your Selection

Here's how to determine which card type will offer you the best value:

Credit-Building

- ✓ No annual fee.
- ✓ Your payments are reported to the two major credit bureaus.
- ✓ Low deposit amount.

Rewards Card

- ✓ Delivers the highest rewards for the category you spend the most on.
- ✓ Low required spending limit.
- ✓ The annual fee is worth it based on the perks offered.

Low Interest Card

- ✓ Length of the 0% APR period.
- ✓ Low (or no) late fees or penalty APR.
- ✓ Offers sign-up bonus or ongoing rewards.



Using Your Card Wisely

Now that you've selected the best credit card for you, here are some tips on how to manage it with care.

Make Your Payments on Time

35% of your credit score is determined by your payment history, so late or missed payments can wreak havoc on your score.³

Pay Your Balance in Full

Paying only the minimum amount means you'll carry a balance and will be charged interest on that balance.⁴

Check Your Statements

Carefully review your monthly statement to ensure there are no errors. If you find one, report it immediately.

Use the Perks That Come With Your Card

Many credit cards have added benefits such as rental car insurance and purchase protection. If you don't familiarize yourself with these perks, you could be leaving money on the table.

