

How does a purchase credit card work?

Audio transcript

You can use a purchase credit card to spread the cost of things you buy over a period of time, rather than paying for them all at once.

Cards can be used in stores or online. You can use them abroad too, although it's worth checking the fees for foreign transactions.

It's possible to get a 0% interest purchase credit card. With these cards, you won't pay any interest on purchases for a certain period, provided you pay off the balance within that timeframe.

If you don't pay the full balance off each month, you must make the minimum payments.