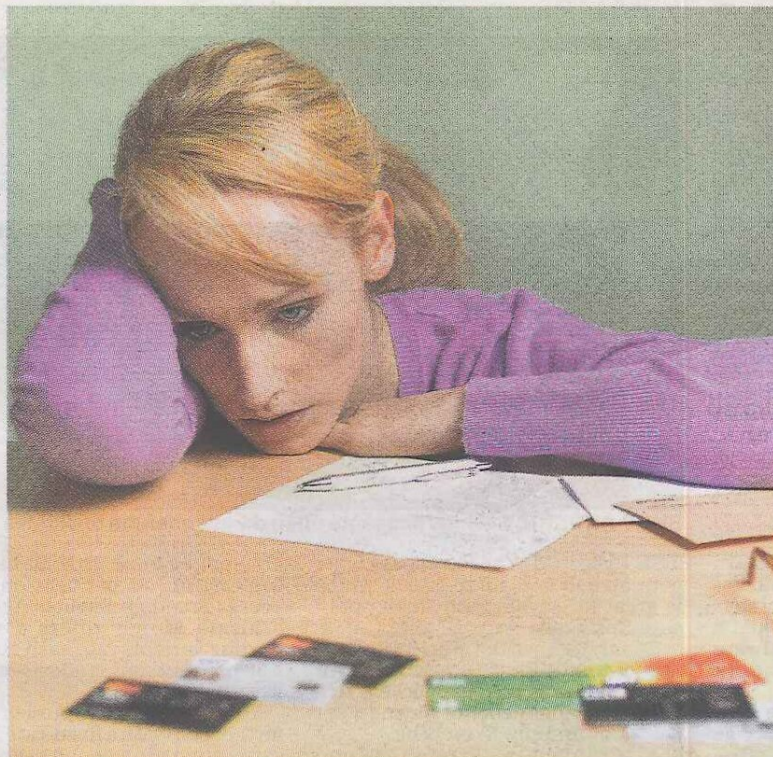


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SHUFFLING THE PACK: Getting another card is only a short-term solution

Teasers can end in tears

CREDIT cards offering zero interest teaser rates may look tempting but they often end in financial heartbreak.

Almost one in three people who takes out these popular cards ends up with more debt as a result, according to new research.

Barclaycard, Virgin Money, Halifax and Tesco Bank all offer balance transfer cards charging no interest for an incredible 37 months, for a small fee ranging from 2.55 to 2.90 per cent of your balance.

Many issuers offer zero interest deals on new purchases, with Post Office Money offering 27 months.

This may look like a great way to slash repayments but 29 per cent of customers ended up with more debt in the last five years, according to charity the Fairbanking Foundation.

Almost half failed to clear their balance before the introductory rate ended and were shifted to a more

expensive APR, which can start at 18.9 per cent. Many said the lengthy interest-free period encouraged them to borrow more or distracted them from paying down their debt.

One in five who suffered debt problems in the past five years has done so because of teaser rates.

Antony Elliott, chief executive of Fairbanking Foundation, said the news was alarming: "Used sensibly, zero per cent deals can be useful, but it is clear they are also encouraging significant numbers to take on more debt."

NatWest and RBS dropped teaser rates last year and personal banking chief executive Les Matheson said too many people are still being caught out: "We don't think this is good for our customers and has no place in financial services."

For free advice with serious debt problems contact Step Change at StepChange.org or 0800 138 1111.