Daily Mail
18 November 2015

Shop now and pay no interest for two years...

FAMILIES could save hundreds of pounds this Christmas by shopping around for a better credit card deal.

Post Office offers a card that gives users 27 months to clear their balance before any interest is charged. It should arrive within seven days of an application, leaving you plenty of time to do your festive shopping.

Clydesdale and Yorkshire Banks are also offering customers an interest-free deal for new purchases lasting 26 months.

Sainsbury's offers a 0pc credit card for 25 months. It comes with free Nectar points when you spend which can be used for discounts on easyJet flights, family days out and the weekly shop.

You get two points per £1 spent on Sainsbury's shopping and fuel, and one point per £5 spent elsewhere.

If interest-free offers do not appeal, money transfers are an alternative. This option allows customers to move cash from a credit card into a bank account, providing a short-term boost with lower interest rates than an overdraft.

MBNA offers a money-transfer card with a rate of 7.4pc. The cost of borrowing £2,500 for six weeks using the system is £21.28, according to experts at advice site Moneycomms.co.uk.

...but make sure you pay it all back

A THIRD of credit card holders taking out balance transfers or 0pc deals end up borrowing more at the end of the term.

Research by charity the Fairbanking Foundation found 41pc of people who have taken out an interest-free card over the past five years have failed to clear their debt, while 45pc who opted for a balance-transfer deal also failed to do so.

Consumers say they feel a long interest-free period encouraged them to take on more debt rather than clear it.

Last week, Money Mail revealed that a surge in balance-transfer deals could be to blame for a UK debt addiction.

Anthony Elliot, chief executive of Fairbanking Foundation, says: 'It is genuinely alarming that so many customers taking out 0pc credit card offers end up with more debt.

'Used sensibly these deals can be useful, but it is clear they are also encouraging significant numbers of people to take on more debt and can be detrimental to helping people manage their finances properly.'