

Overspenders save up to \$710 in interest charges with top balance transfer deals

- Post-Christmas debt hangover tipped to top \$32 billion
- Interest free terms up to 24 months ease credit card pain for overspenders

Tuesday 17 January 2017: Shoppers hurting from the festive spending frenzy can save up to \$710 on interest charges by choosing one of the top balance transfer deals, according to financial comparison site Mozo.com.au which is forecasting the national post-Christmas credit card bill will top \$32 billion.

Mozo compared the cost of paying off the average post-Christmas credit card debt using a 0% interest balance transfer card with a regular interest-accruing credit card and found there are big savings on offer for those who use balance transfer cards wisely.

“For shoppers feeling the effects of a Christmas cost blowout, a balance transfer can be a great way to detox debt with savings of up to \$710 on offer by paying off the average post-Christmas debt with the best balance transfer deal compared with a regular credit card,” says Mozo Director Kirsty Lamont.

“However, it’s crucial to play your cards right, by choosing a card with an interest free period long enough to allow you to pay off your debt, and sticking to your repayment schedule, as failing to pay off the outstanding debt before the zero per cent period ends could see you stung by interest rates well over 20 per cent.”

“It’s also worth hiding the new card away so you can’t make any new purchases on it, as the balance transfer rate won’t apply to new spending.”

Top 5 zero per cent balance transfer cards

Provider	Card	Balance transfer offer	Saving
St.George/BankSA/Bank of Melbourne	No Annual Fee Card	0% for 18 months	\$710
Bankwest	Breeze MasterCard	0% for 21 months (2% BT fee)	\$648
St.George/BankSA/Bank of Melbourne	Amplify Classic	0% for 18 months	\$631
Virgin Money	No Annual Fee Card	0% for 18 months (2% BT fee)	\$625
St.George/BankSA/Bank of Melbourne	Amplify Platinum	0% for 18 months	\$611

Source: Mozo.com.au as at 17 January 2017

Mozo’s analysis shows St.George/BankSA/Bank of Melbourne have three of the top five 0% balance transfer cards with the No Annual Fee Card delivering the biggest savings to shoppers looking to pay off their festive debt. The card has a balance transfer period of 18 months and no annual or balance transfer fees.

“The longest balance transfer deal in our database is the Citibank Platinum Card with 0 per cent for 24 months but shoppers looking to minimise the pain of paying off Christmas should be wary that longer transfer periods often come with higher annual fees and balance transfer fees, which can run into hundreds of dollars,” says Lamont.

Mozo says these offers give cardholders a breather to pay off their debt without incurring any interest but a disciplined approach is necessary to get the full benefit of the balance transfer card.

Top balance transfer tips:

- Don't make any new purchases on the card as the balance transfer rate doesn't apply to these. Avoid temptation by stashing it in your desk drawer not your wallet.
- Use an [online calculator](#) to work out how quickly you'll be able to pay off your debt and choose a card with an interest free period to match.
- Set yourself a plan to pay off your debt in full before the intro balance transfer period ends to avoid being stung by revert rates as high as 21.99%.
- Watch out for fees such as annual fees, which can run into hundreds of dollars, and handling fees, which can be levied at up to 3% of your transferred balance.

Consumers can compare 117 balance transfer cards from 29 providers using Mozo's Balance transfer comparison tool at <https://mozo.com.au/credit-cards/balance-transfer>.

-ENDS-

Notes on calculations:

Mozo compared the cost of paying off the expected December credit card debt of \$4,255 using 0% balance transfer cards with the cost of a card with the average interest rate of 17.35%. Mozo assumed the debt was paid off in full in equal monthly repayments during the 0% period and there was no additional spending and included balance transfer fees, annual fees and introductory annual fee waivers in calculations.

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