

# The Difference between Debit Card & Credit Card

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- **What is the difference between debit card and credit card?**
- **Which is the better option?**

**These are the two frequently asked questions by consumers. So, what sets them apart?**

## **Debit card offers the convenience of a credit but functions in a different way.**

It can be used for purchases at your local stores as well as to withdraw cash via ATM. Debit cards draw money directly from your deposit/current account when you make a purchase. For this reason, it is important to keep a running balance of your account to make sure your purchases do not exceed your account balance. In other words, what you have in your bank account is what you will be able to spend.

# Advantages and Disadvantages of a Debit Card?

	Advantage	Disadvantage
1.	Debit cards can be used anywhere that accepts credit cards. This offers convenience for the consumer to make purchases anywhere without carrying cash.	You can only spend the amount you have in your bank account.
2.	No interest is charged to debit card holders.	

# Advantages and Disadvantages of a Credit Card?

	Advantage	Disadvantage
1.	Credit cards are very helpful in a situation of need or emergency. You're able to utilise the credit card easily and immediately whenever there is a shortage of cash-on-hand or money in the bank account.	When consumers are fixated on the discount or credit cards' benefits, they tend to lose track on their spending. Cardholders may face a heavy debt coupled with the hefty interest-charge by the bank.

# Advantages and Disadvantages of a Credit Card?

	Advantage	Disadvantage
2.	Credit cards offer more benefits such as Reward Points and Cash Back which further encourage customers to use credit card for payments instead of cash or debit card.	The bank will charge you an interest if you were to carry your payment balance over to the next billing cycle instead of paying it off during the grace period (an interest-free period). Your credit card balance and payment history can affect your credit score.

**In short, both debit card and credit card offers a convenience in facilitating your payments without involving physical cash.**

You may not get in trouble with heavy debts by using a debit card, but you may face a tricky condition during an emergency where you lack money in your account. One should avoid indulging in the habit of instant gratification by using credit cards to purchase items they can't afford which may lead to an endless spiral of debt.

**Be financially responsible.**

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