



I have a \$3000 on a joint credit card with my ex but he's stopped paying. Is it up to me to pay now?

Tina, Sydney, NSW

Oh Tina, what a terrible situation that you are in. Unfortunately you are liable for any default on the account, regardless of whether you caused the default or not because you signed a contract as a joint credit card holder. The bank has the ability to pursue either or both of you for payment, as well as any interest, penalties or legal fees which may be incurred.

In the off-chance that you were merely an additional cardholder, then you would have no liability for any charges incurred. It would be sole responsibility of your ex.

If you haven't done so, I would immediately call your bank and cancel the card. I would also explain the situation to them so that they are aware & can potentially come to some form of remedy without impacting on your credit rating. If possible, I would ask your former partner to take out a separate loan in his own name and pay out the \$3,000.

The bank has the power to be ruthless and not be fair. Because you signed that contract, the bank, if it wants, can direct all of its collection activities towards you.

This is a reminder that when you split up from a relationship you should make sure that all joint liabilities (such as credit cards, mobile phones, electricity bills, car loans) are closed as soon as possible. It doesn't end your liability for any debts incurred up to that point, but at least it will stop future debts arising. You should also look to assign debt to the appropriate partner.

Hopefully this painful experience is a really good financial lesson for you and you will consider the ramifications a lot more before signing your name to anything else in future.