



## SLASH YOUR CREDIT CARD RATE

**I have a credit debt of \$8,000. Is it possible to get a different credit card rate?**

**Sara, Moss Vale**

Of course there is. I am guessing that you are currently paying between 18-20%. If you are after a short term solution then you can transfer your credit card debt to another bank that will offer you a lower “honeymoon” rate for six months.

But, if you want to make a real difference over the long term then you should try using my ***Five P’s to Slashing Your Credit Card***. And you won’t have to change your bank either!

It is a tried and tested method where you could slash your interest rate by up to 7% for life!! Simply follow these steps:

**Phone ...** It really isn’t that hard to negotiate with the banks so don’t be afraid to pick up the phone. If you don’t ask then you simply won’t get.

**Preparation ...** before you call have all your details such as account numbers and telephone passwords ready. Make sure that you have a look at websites such as [www.ratecity.com.au](http://www.ratecity.com.au) to see what comparable rates are being offered that can be used when negotiating.

**Patience ...** this exercise may take up to an hour as the banks put you on hold and transfer you from one department to another. Don’t hang up because your hour’s work could be worth up to \$1,000 per year in saved interest.

**Politeness ...** it is extremely important to be courteous to the bank representative on the other end of the phone. If you are rude and aggressive or threaten them then you will get absolutely nowhere.

**Persistence ...** don’t simply take no for an answer. Politely enquire if there is anything else that they can do and whether it is the “absolutely the best deal that they can give”.

If the bank can’t budge on interest rates, which can happen, why not ask them politely if they can move on things such as monthly administration and annual package fees. You can only ask.

Banks will also try to negotiate with you too! Their favourite is to try and dissuade you from changing to a lower rate by giving up your Fly By points. I know I would rather save \$500 on my interest bill.