

For immediate release

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Debit card use hits record high, but credit still king!

- ➔ Debit cards more popular than ever, overtaking credit card purchases by 85%
- ➔ But Aussies still spending more on credit: \$25.6 billion v \$19.7 billion on debit
- ➔ The best card for you: how to choose and how to spend wisely

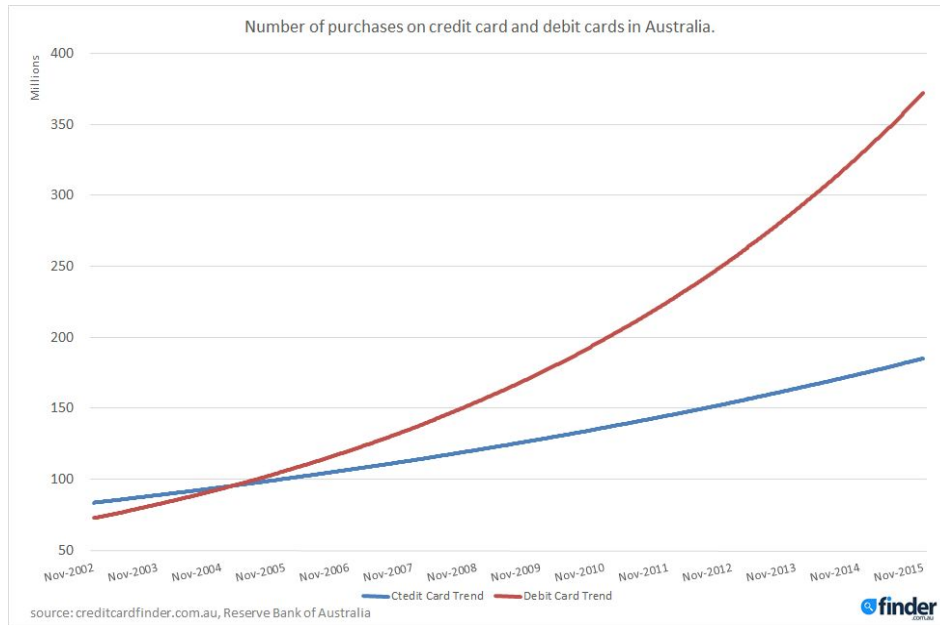
January 20, 2016, Sydney, Australia – Debit card use has hit a record high – overtaking that of credit cards by 85 percent. But despite the surge, Australians are still spending billions more on credit, according to new insights from creditcardfinder.com.au¹, Australia's biggest credit card comparison site.

The latest figures from the Reserve Bank of Australia (RBA) analysed by creditcardfinder.com.au suggest Australians may be moving towards a cashless society, with a sharp increase in purchases on plastic. More than 373 million debit card purchases were made in November 2015², compared to 202 million on credit cards.

Both debit and credit card transactions have skyrocketed since RBA records began in 2002 – when the number of monthly purchases was around 76 million for both types of cards. Debit card purchases overtook credit card purchases for the first time in 2006 (97 million compared to 96 million), and the surge has continued since.

¹ Experian Hitwise since 2013

² Data released January 2016



The research also found that there are almost three times the number of [debit cards](#) nationally (41.2 million) compared to credit cards (16.2 million), with debit card purchases now outstripping credit card purchases by almost double (85 percent).

But while almost two debit card transactions are made for every credit card transaction today, creditcardfinder.com.au can reveal the total value of credit card purchases far outweighs those on debit – by almost \$6 billion.

Latest figures show the value of debit card purchases totalled \$19.7 billion in November 2015, compared to more than \$25.6 billion being spend on credit cards. The average purchase amount on credit cards also remains higher sitting at \$127, with debit cardholders spending on average \$53 per transaction.

Total value of purchases on credit and debit cards, November 2015.

Total value of credit card purchases	Total value of debit card purchases
\$25,638,939,173	\$19,738,754,707

Source: creditcardfinder.com.au, Reserve Bank of Australia

Total number of purchases on credit and debit cards, November 2015.

Total number of credit card purchases	Total number of debit card purchases
202,248,568	373,266,496

Source: creditcardfinder.com.au, Reserve Bank of Australia

According to Bessie Hassan, Consumer Advocate at creditcardfinder.com.au, availability, convenience and [access to tap-and-go technology](#) have all contributed to the debit card

boom but when it comes to larger purchases, Aussies are still turning to credit.

“It’s encouraging that Australians are preferring to use their own money for smaller purchases, but it’s clear from our research that we’re still turning to credit cards for larger expenses – which is when we have to be careful.”

When it comes to choosing which type of card to use, Ms Hassan says the decision is an important one.

“Borrowers should [consider fees and charges](#), ability to service credit card debt and [rewards on offer](#) when choosing between credit and debit cards.

“This is [the time of year](#) when credit card providers are most competitive and there are plenty of special offers around right now). For instance, there are currently 52 credit cards on [creditcardfinder.com.au](#) offering \$0 annual fees.

“Credit cards might be the better option for more expensive purchases as you defer payment for your purchase until later in the month; if you make payments by the due date, you’re effectively getting free use of credit. It can also add extra protection for purchases that a debit card does not; for example, some cards come with purchase protection insurance.

“However, if you are the type of person who struggles to meet repayments, a debit card where the money is taken directly from your own funds with no bills to worry about at the end of the month is the better option,” she says.

Some [debit cards also offer rewards](#), such as cash back offers, free wine and the ability to earn QANTAS points just for having a balance in your bank account.

“It’s worth the time it takes to check what cards you’re eligible for, think about what features and services you need, and compare providers.”

Meanwhile, the trend towards a cashless society is expected to continue in 2016 as [Apple Pay broadens its availability beyond American Express](#) and other competitors hit the market – with Australians expected to carry less cash around than ever.

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