



## Card Sense: Online tools can help you find your perfect plastic

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Gross purchases using credit cards topped \$300 billion in Canada last year. Clearly, Canadians love paying with plastic. This love affair will undoubtedly continue since credit-card issuers have found a highly effective way to grow their business: Reward customers for paying by credit card.

The strategy has created a Canadian marketplace replete with hundreds of different credit cards offering an almost endless combination of rewards and features. Depending on the card held, a consumer can earn rewards for anything from plane tickets, vehicle rebates and movies to charitable donations, merchandise and cash rebates on card purchases. Card benefits might include no annual fee, a low interest rate on outstanding balances, extended warranties on purchases, or trip-cancellation, rental-vehicle or other travel-related insurance.

The best combination of rewards and features for an individual's personal circumstances is usually limited to a few credit cards. The challenge for the average consumer is to find those cards. Fortunately, there are several web-based tools designed to make the hunt for a new credit card relatively easy.

One of the most comprehensive of these tools is the Credit Card Selector Tool created by the Financial Consumer Agency of Canada (FCAC), a federal government agency with a consumer-protection mandate over the federally regulated financial sector. The six-step search of FCAC's database of approximately 260 cards begins with selecting province of residence. This is the only tool which sorts by geographic location.

Next, users answer questions concerning the main use of the card (purchases, cash advances or balance transfers), whether the card will carry an outstanding balance, and their willingness to pay annual fees. They then choose from 15 different rewards and other benefits. All qualifying cards are shown in a detailed results table that can be sorted by feature. Up to five of the listed cards can be chosen for comparison in another screen.

The FCAC website also provides Credit Card Comparison Tables for standard, gold, platinum, U.S. dollar, student, secured, retail and charge cards plus tables dedicated to credit-card-balance insurance and to service fees for transactions such as cash advances.

The principal goal of the Insureye [Credit Card Navigator](#) is to help people find the best credit card for their insurance needs. The tool has information on more than 150 credit cards. Users can look up a specific credit card to learn about the insurance it provides, or search for cards which offer the insurance they have selected from a list of 16 types.

Results include the interest rate on outstanding balances, any annual fees charged and a more detailed description of the insurance benefits than other card-selection tools. It can also screen for all cards offering a low interest rate and all cards with rewards.

The four-step Credit Card Comparison Tool at the Red Flag Deals website has a database of more than 150 cards. A search involves checking off the main use for the card, if an outstanding balance will be carried and preference regarding card fees. Users then choose from a list of 18 card features and benefits. Unlike other card-search tools, Red Flag Deals does not report results in table format. Qualifying cards and their particulars are listed one below the other, forcing users to scroll up and down repeatedly to compare cards.

The MoneySense Credit Card Selector Tool analyses just over 100 credit cards. Users answer questions on status (such as small business owner or post-secondary student), if they carry outstanding balances, their average monthly spending and which of three rewards categories (cash back, merchandise or travel) is of interest.

To mitigate the impact of introductory “goodies,” the MoneySense tool factors in the card value over five years. It shows results for the top five qualifying cards. Unique to this tool are estimates of the annual dollar value of certain card benefits such as cash-back rewards.

To test the relative performance of the credit-card selector tools described above, we ran two different scenarios through all four tools.

In the first scenario, the consumer purchases about \$2,000 monthly on credit and pays off the balance each month. She wants a no-fee card with trip-cancellation and trip-interruption insurance, medical protection for travellers and cash-back rewards.

The FCAC selector suggested two credit cards. However, both cards charged an additional fee to obtain all the desired insurance. The Insureye tool, which does not sort by annual fee or reward type, suggested 20 cards. Just three completely fit the consumer's profile.

The Red Flag Deals search yielded one card. The MoneySense tool does not filter by type of insurance. It showed the top five of 25 qualifying cards. Only one of these, the same one Red Flag Deals identified, met all the user's requirements.

The shopper in the second scenario wants a low-interest-rate card with no annual fee and travel rewards. He intends to transfer an outstanding \$2,000 balance from his current card. The FCAC selector found 10 possible credit cards, of which eight offered all the desired features. Insureye suggested 11 cards, but only one entirely met the consumer's needs. The Red Flag Deals tool produced no results. The MoneySense tool selected 22 cards and showed details for the top five; all charged an annual fee.

Credit-card selector tool results vary as different tools emphasize different factors. The best way to find the right credit card for your personal circumstances is to check out more than one of these tools.