Credit card types by Fiona Roy

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Everyone's financial situation and spending habits are different, which is why there are now many types of credit cards aimed at different types of people. If you're unsatisfied with your current credit card account, or if you're applying for your first card and having trouble making the decision, then comparing different features and benefits of credit cards could help you find the ideal card for you.

Standard credit cards are the most commonly used cards, and can be issued by credit card providers, banks and other financial companies. The most important aspect to look for when comparing standard credit cards is the interest rate, which will impact on the amount you are required to pay back if you exceed your spending limit each month. However, you should also check other features of the card that could make it more or less appealing, such as any introductory offers.

With standard credit cards, like most, you will have a finite limit that can be used each month which will be used when you make purchases using your card and will be available once again after you've made payments to your card. If you're applying for your first credit card, standard credit cards can be the easiest to understand; but these may not be suitable for all your needs.

Premium credit cards, which also go by names such as Gold or Platinum credit cards, offer a range of benefits and other incentives to encourage customers to use their cards when making all types of transactions. These may come in the form of reward points, which can be saved up and redeemed against goods and services, cash back and travel upgrades. In exchange for these benefits, these cards will typically carry higher fees, and may be restricted to customers with higher credit scores.

Balance transfer credit cards are specially designed to help customers make balance transfers between their credit account and other accounts in their name, which can be beneficial for managing finances and avoiding higher interest rates.

Some balance transfer credit cards may offer a permanently low rate for balance transfers, while others may offer incentives such as zero per cent on balance transfers during the introductory period. However, this will typically revert to a higher APR once the introductory period has expired. You should consider how long you plan on using the card to determine which option is best suited to you.

Fiona Roy - About Author:
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