

For immediate release

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Holiday's over for Aussie credit card holders

- ➔ 3.97 million Aussies hit by 'debt lag' - credit card debt they can't afford to repay immediately
- ➔ One in 10 travellers with credit card debt will take more than 12 months to pay it off
- ➔ Aussies encouraged to consider a 0% balance transfer credit card to manage debt

9 January 2017, Sydney, Australia – Australians are returning home from holidays with an unwanted souvenir in the form of a \$7.5 billion credit card debt, according to Australia's most visited financial comparison website finder.com.au.

The finder.com.au Australian Debt Lag Survey of 2,027 people found 41% of Australians returned from holidays in credit card debt, with an estimated \$7.5 billion of debt racked up, and \$180 million in interest paid on this debt within the first year.

A worrying 44% of Australians - an estimated 1.75 million adults – failed to pay their debt off within a month of returning home.

Australians accrued an average of \$2,705 on their credit cards while on holidays in 2016 taking, on average, just under 6 months to pay off their debt. .

Around 10% of people who used their credit cards to pay for holidays are taking at least 12 months to repay their card debts.

Bessie Hassan, Money Expert at finder.com.au, says while the majority of Australians (56%) pay off their holiday costs soon after returning, those who take longer are likely to face financial struggle.

"Australians have accrued \$180 million in credit card interest from trips over the past year, 29% more than the \$140 million in 2015, with one in 38 travellers worried that they'll never be able to pay off their trip," she says.

“Australians are known to enjoy their holidays by spending up big on their hard earned breaks, but a carefree holiday can quickly turn into a financial nightmare if they don’t pay it back when returning home,” she says.

Shopping sprees were revealed as the biggest holiday blowout, with more than one in three respondents (35%) splurging cash at the shops on their getaway. One in four (24%) pulled out the plastic for luxury accommodation.

One in five Australian travellers splurge on flashy restaurants, while one in 10 splash out on once in a lifetime events, like a sporting match or concert, while holidaying.

But, says Hassan, you should only spend what you can afford. “Nothing stops that holiday feeling quite like a debt you can’t repay.”

“Returning home with credit card debt can add unnecessary financial stress going into the new year,” she says.

Borrowers are advised to consider a 0% balance transfer credit card to get their finances under control. Currently, there are around 160 credit cards on the market with a [0% balance transfer option](#), for up to 24 months.

Men vs Women

- Australian men came back from holidays with an average \$2,934 in debt compared to \$2,418 for women.
- 58% of men paid it off in under a month, compared to 53% of women
- 11% of women thought it would take them more than 12 months to pay off their holiday debt versus 8% of men.

Generation break down

- Generation Y (12.2%) were most likely to take more than a year to pay off holiday debt, compared to Gen X (9.5%) and Baby Boomers (6.8%)
- Generation X accrued the most holiday debt (\$3,152) compared to Generation Y (\$2,338) and Baby Boomers (\$2,521)
- Baby Boomers were the most likely group to pay off their holiday debt immediately, with 55% saying they did so, compared to 28% of Gen X and 17.2% of Gen Y

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