

For immediate release

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Families struggle as post-Christmas debt hangover tipped to hit \$397 million

- ➔ New analysis shows Australians borrowed a record \$28 billion on credit cards in December 2016
- ➔ \$9.8 billion was forecast to be spent on gifts alone; 36% funded via credit cards
- ➔ 0% balance transfer offers available on finder.com.au

30 January, 2017, Sydney, Australia – While many Australians are relieved to put 2016 behind them, over three million are facing a ‘debt hangover’ following the festive period, according to finder.com.au, Australia’s most visited comparison website¹.

Cash-strapped Aussies are set to fork out an eye-watering \$397 million in interest payments after accumulating billions of interest on plastic spending last month.

A new forecast of Reserve Bank of Australia (RBA) data analysed by finder.com.au reveals the nation likely borrowed \$28 billion on credit cards in December 2016. Christmas purchases of \$9.8 billion were predicted on gifts alone.

The analysis reveals the average amount owed after the holiday season is \$1,666 per credit card across Australia.

Bessie Hassan, Money Expert at finder.com.au, says January can be a difficult month for personal finances as many Australians work to recover from their debt hangover.

“It’s easy to fall behind when bills from festive spending flow into the new year.

“Many of us fall into the ‘spend now, worry later’ mentality, but this can be risky if you’re not in a position to manage the festive debt come the new year,” she says.

Ms Hassan advises Australians to take action as quickly as possible, and to consider a balance transfer to minimise interest charges.

¹ Experian Hitwise since 2015

“A 0% balance transfer credit card can help reduce your debt without the additional interest cost. You can use it to transfer a single debt or to consolidate several debts under the one account to make sure all your balances are repaid more efficiently.

“Before you apply for a balance transfer product, consider how much you’ve spent over the festive period and calculate how much you’ll need to repay each month to ensure your balance hits zero by the end of the balance transfer term. And look for a card with a longer promotional period if needed.

“While a balance transfer can help you regain control of your debt, it’s not a licence to ignore your debt. Often, 0% balance transfer cards will have a higher base purchase rate than other cards, so it’s important you commit to repaying your debt during the interest-free period,” she says.

Currently, there are currently 150 credit cards offering [0% balance transfer deals for up to 24 months](#), according to the finder.com.au database.

“This time of year is often characterised by competitive credit card offers as banks lure new customers after the December spending frenzy, so compare different credit card deals to find one that works for you.

“When comparing balance transfer products, check the annual fee and the revert rate so you fully understand the cost of the product. Also, bear in mind some providers charge a balance transfer fee which is normally around 2 - 3% of the total balance being transferred,” she says.

Longest 0% Balance Transfers available on finder.com.au

Card	Balance Transfer offer	Purchase rate	Annual fee
NAB Premium Card	0% for 24 months	19.74%	\$90
Citi Rewards Platinum Credit Card	0% for 24 months	20.99%	\$49 p.a. annual fee for the first year (\$149 p.a. thereafter)
Bankwest Breeze Credit Card	0% for 21 months	12.99%	\$59