

For immediate release
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Plastic debt: Aussies looking to shift \$12,000 on average

- ➔ Research shows Aussies are looking to transfer \$12,067 in plastic debt on average
- ➔ Card customers could save \$3,000 in interest payments through a balance transfer
- ➔ Top 5 balance transfer cards available on finder.com.au

31 October 2017, Sydney, Australia – The average Australian who is looking for a balance transfer deal online has a credit card debt of \$12,067 hanging over them, according to finder.com.au, the site that compares virtually everything.

Figures from the Reserve Bank of Australia show the average credit card debt in Australia is \$3,069, but the finder.com.au analysis shows those who are considering a balance transfer are struggling under the weight of almost four times this amount.

finder.com.au analysed those users who are trying to shift debt to a 0% balance transfer credit card and uncovered the average balance on their existing cards.

Bessie Hassan, Money Expert at finder.com.au, says it's alarming Australians have such a high credit card balance.

“Failing to pay off a credit card balance can leave people in a serious debt spiral but for those looking to minimise costs, a balance transfer may be a good solution.

“Balance transfers deals can be enticing but the interest-free period should be seen as a time to work hard at paying down debt — not as a repayment holiday.

“When you get your new plastic, it's important to cut up the old card to avoid accruing account-keeping fees on your old account.

“You need to ensure the new card has a large enough credit limit or balance transfer amount to support your debt, otherwise the outstanding balance will be left on your old account and

will continue to collect interest,” she says.

Users of finder.com.au are paying an average purchase rate of 16.77%. For those paying the minimum repayment amount each month of 2%, it would take 40 years to pay off a balance of \$12,067, which would cost \$25,260 in interest repayments.

“Trying to pay off a large balance while paying high interest rates can be like swimming against the tide and some people may feel like they’re treading water,” she says.

Ms Hassan says for those with a credit card debt of around \$12,000, a 24-month balance transfer could potentially save them over \$3,000 in interest.

While a balance transfer can be an effective way [to merge your existing debt](#), but cardholders should review the fees attached.

“A balance transfer fee normally sits at around 1-3% of the transfer amount. Another major fee to keep an eye on is the annual fee which can range from around \$50 - \$150,” she says.

Ms Hassan says that around one in three credit cards offer balance transfer periods of 12 months or more, allowing consumers to pocket thousands in interest.

There are even a handful of credit cards with balance transfers of 18 to 24 months, some of which are exclusive to finder.com.au, as listed below.

Top 5 balance transfer cards, ranked by longest balance transfer period

Card	Interest rate	Balance transfer period	Annual fee	Savings
NAB Premium Card*	19.74%	0% for 24 months	\$90	\$3,168
Citi Rewards Platinum	20.99%	0% for 24 months	\$49 first year, \$149 onwards	\$2,970
St George Vertigo Platinum	12.74%	0% for 24 months	\$99	\$2,910
HSBC Platinum	19.99%	0% for 22 months	\$99	\$2,679
Virgin Australia Velocity Flyer	20.74%	0% for 18 months	\$64 first year, \$129 onwards	\$2,439

Source: finder.com.au

*Exclusive offer from finder



States ranked by the amount of credit card debt user's inserted into finder's balance transfer calculator

State	Current card balance	Current interest rates
Western Australia	\$12,969	16.94%
Tasmania	\$12,866	16.94%
Victoria	\$12,048	16.61%
New South Wales	\$12,003	16.77%
South Australia	\$11,787	16.48%
Queensland	\$11,513	16.94%

Source: finder.com.au. Excluding Territories



Methodology

- The proprietary data is from balance transfer searches on finder.com.au for 2017.
- Finder has a calculator in which users can input their current credit card balance they are looking to transfer, as well as the interest rate they are currently paying.
- Finder looked at over 9,500 responses filtered from Australia and filtered out responses below \$200 and above \$100,000
- The findings showed an average of \$12,067 in balances and an average of 16.77% in current interest rates.

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