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| **Press release****For immediate release May 14, 2015** | Michelle HutchisonHead of PR & Money Expertfinder.com.au+61403 192 994+61 2 9299 7602Michelle@finder.com.au |

**Australians better at managing credit cards as spending continues to rise**

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| * National credit card debt hits new record: over $51.5 BILLION
* However, more cardholders are paying down debt, saving $9.7 million in interest in March 2015
* [creditcardfinder.com.au](http://creditcardfinder.com.au/) Credit Card Spend Survey shows spending habits improved
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**May 14, 2015, SYDNEY, AUSTRALIA** – Despite a record high national credit card debt, Australian cardholders are becoming better at managing their cards, following new research by Australia’s biggest credit card comparison website [creditcardfinder.com.au](http://creditcardfinder.com.au/)[[1]](#footnote-1).

Australians are spending more on their credit cards while paying off their debts, with a combined credit card debt of $51.502 billion as at March 2015 – the highest figure on record, according to the latest Reserve Bank figures released this week (May 12, 2015) analysed by [creditcardfinder.com.au](http://creditcardfinder.com.au/).

Over the past year, the total balance increased by $1.445 billion, from $50.057 billion in March 2014. Conversely, the total debt accruing interest fell by about $683.300 million, from about $33.719 billion in March 2014.

There are also more credit cards in circulation than ever, with 473,098 more cards open now than 12 months ago, currently 15.925 million cards open as at March 2015.

**Total credit card debt versus total debt accruing interest**

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| **Date** | **Total credit card debt (billions)** | **Total debt accruing interest (billions)** |  |
| March 2015 | $51.502 | $33.036 |  |
| March 2014 | $50.057 | $33.719 |  |
| Difference | +$1.445 | -$0.683 |  |

Source: [creditcardfinder.com.au](http://creditcardfinder.com.au/), Reserve Bank of Australia

Total average debt per card is now $3,234, with the average balance accruing interest at $2,074.

The research follows [creditcardfinder.com.au](http://creditcardfinder.com.au/)’s annual Credit Card Spend Survey[[2]](#footnote-2) of more than 1,200 Australian credit card holders, which also found that cardholders have improved their spending habits.

In fact, the number of cardholders who spend more than $2,000 per month on their credit card has risen to 24 percent, up from 22 percent last year.

However, more people are paying down their debts, with almost 78 percent of credit card holders saying they generally pay off their balance in full each month compared to 76 percent a year ago. This means potentially 3.5 million credit cards are not paid off in full each month compared with almost four million cards last year.

The [creditcardfinder.com.au](http://creditcardfinder.com.au/) Credit Card Spend Survey also found that the number of people who make more than 10 unplanned purchases per month dropped slightly from 10.19 percent in 2014 to 9.88 percent in 2015.

Michelle Hutchison, Money Expert at [creditcardfinder.com.au](http://creditcardfinder.com.au/) said the improvement comes despite the fact that people are spending more on their credit cards each month.

“It’s great to see that more people are taking advantage of credit cards while paying less interest than last year. Credit cards can be very handy when it comes to cash flow and if used properly, they can also be very rewarding with points and other perks like concierge services and complimentary travel insurance.

“On average, credit card debt accruing interest has fallen by $108 per card since March 2014, to $2,074 but we’re spending $109 more per month with 7 percent more transactions. So we’re using our cards more and paying more off each month than we used to.

“We’ve collectively saved almost $9.7 million in interest charges in March 2015 compared to the same month last year by paying down our credit card debt.

“However, the vast majority of cardholders (87 percent) still make at least one unplanned purchase every month and half are spent on going out or shopping sprees.

“And there is still a lot of money being wasted on interest charges, with an estimated $468 million spent on interest in March 2015 alone according to [creditcardfinder.com.au](http://creditcardfinder.com.au/). Most cardholders shouldn’t be paying any interest and should look for balance transfer deals to pay off their debts while minimising interest charges.”

Rewards points programs are still the biggest incentive for people to use their credit cards over debit or cash, with 37 percent of respondents who said they use their cards for rewards points 12 months ago compared to 41 percent now.

**Other interesting findings from the creditcardfinder.com.au Credit Card Spend Survey:**

* Out of those who don’t pay off their credit cards in full each month, almost 15% go on impulsive shopping sprees
* About half of credit card holders (49%) make 1-3 unplanned credit card purchases every month.
* Of those unplanned credit card purchases, almost half were on splurges like shopping sprees and going out/entertainment
* Out of those who spend more than $5,000 per month on their cards, more than a third (37%) make more than 10 unplanned purchases every month
* Over 1 in 5 cardholders (21%) put unexpected bills on plastic, followed by emergency expenses (19%)
* Spending during a sale is the biggest behavioural factor to ballooning credit card debt, with 58% pulling out the plastic during a sale
* Emotional shopping when happy or upset accounted for 28% of motives
* The majority of cardholders (60%) could manage their credit card spending better if they compared cards and found a better deal, while more than 1 in 3 (37%) would benefit from destroying their credit card or locking it away

**State by state**

* Victorians are the biggest credit card spenders, with more than a quarter (28%) spending $2,000 or more on credit cards each month
* South Australians are the most conservative with 2 out of 5 (41%) spending $500 or less each month on their cards
* Queensland card holders were the most responsible with their cards, as they were least likely to make any unplanned purchases
* New South Wales credit card holders are most likely to pay off their credit cards in full each month compared to those in other states
* Western Australians are least likely to pay off their credit card balances in full each month paying unnecessary interest. They were also the state that recorded paying for the highest proportion of unexpected bills each month

**Gender**

* Men were more likely to own a credit card and use it to make more unplanned purchases than women
* Men were bigger spenders, with more men spending more than $5,000 per month on their cards than women
* Women are less likely to pay off their credit card debt on time compared to men
* Men are more likely to splurge on going out/entertainment than women
* Women were more likely to use their credit cards when they were upset than men
* Men are more likely to run out of cash before payday, with men almost double as likely to use their credit cards just before payday than women
* Men were more likely than women to use a comparison website to help them manage their credit card spending and find a better deal

**Age**

* Generation X (aged 35-54) are the least likely to pay off their balance in full each month
* About half of Gen X (50%) make 1-3 unplanned credit card purchases every month
* Generation Y (aged 18-34) are more likely to splurge on shopping sprees and going out than other age groups
* Australians aged 75-years-plus are the most sales-conscious – 67% use their credit cards the most during sales
* About one third (33%) of Gen X spends at least $500 monthly on their cards. They’re also more likely to spend over $5,000 on their cards each month.

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1. Experian Hitwise, since 2013 [↑](#footnote-ref-1)
2. Survey commissioned by [creditcardfinder.com.au](http://creditcardfinder.com.au/) and conducted by global research provider pureprofile [↑](#footnote-ref-2)