



## Sorry, Crypto Fans: Crypto Cards Have a Long Way to Go

### Description

Move over, credit cards; there's a new sheriff in town — *crypto cards*.

For years, converting our crypto into Canadian dollars (CAD) was a major hassle: you'd have to sell crypto on an exchange, wait for the money to hit the bank, then finally spend it.

But now, we have an easier way to spend crypto: swipe your card at any point-of-sale terminal, and you could convert crypto to CAD on the spot. Pretty easy, right?

So it seems. Crypto cards may be the way of the future, but this first iteration isn't perfect. Though I'm super excited for more of these cards to hit the market, I see some major shortcomings in the ones available.

### 1. Limited crypto card choices

As of now, the selection of crypto cards in Canada is pretty scant. Though more cards are on the horizon, your choices are limited to only two kinds: prepaid cards and debit cards.

The prepaid type, which makes up the majority of crypto cards in Canada, works like this: you take funds from your crypto wallet, exchange them for fiat currency (CAD), then load them onto your card. You spend the money, then load your card again.

It's work. But if you're dying to spend crypto, you might be willing to load and reload repeatedly.

Debit cards are the simpler option, but also the least available. You use your debit card to make a purchase, and the exchange to CAD is done on the spot. Of course, since you're still exchanging crypto to CAD, you may incur an exchange rate fee (more on that below).

Again, between these two types, your options are severely limited (you can count on two hands the number of crypto cards in Canada). And, as is the case with Cyptodotcom's slew of [Visa](#) cards, you may have to invest a considerable amount of money in cryptocurrency to use the most lucrative of

them.

## 2. The perks are a little — *meh*

Maybe it's just me, but these crypto cards seem a little, well, dull.

I mean, I get it — for years, exchanging crypto has been a major pain. Crypto cards give us an easier way to spend our crypto investments. That's what they're for. And they're essentially doing that.

But the perks are disappointing. Sure, I've seen some crypto cards that give rebates for music or video subscriptions, such as **Spotify** and **Netflix**, or purchase rebates on **Airbnb** and **Expedia**. These may seem enticing at first, but when compared with credit cards, they leave me wanting something more.

Most [credit cards](#) provide you with a slew of insurance, from rental car to trip interruption/cancellation to even medical emergency insurance. Some credit cards will give you extended warranties for certain purchases, while others will offer you price protection, giving you the difference between an item you bought at full price and the same item you find later at a discount.

Maybe future crypto cards will start incorporating these perks. For now, I'd pick travel insurance over a small rebate on my flight or accommodation any day.

## 3. You can't build credit

Crypto cards aren't credit cards — not yet, at least (though a few crypto companies are looking to change that). So, when you use your crypto card, it's not going to impact your credit score.

That may not matter much, especially if you're just looking for a seamless way to convert crypto to CAD. But if you want to [improve your credit score](#) (which is always a good idea), you'll still want a credit card in your wallet, possibly [one designed to help you build credit](#).

## 4. Be wary of fees

Finally, when compared to traditional credit and debit cards, the fees on crypto cards are typically much higher.

You'll most likely pay an issuance fee, a monthly fee, and a conversion fee. The conversion fee will either be a flat rate or a percentage of the conversion, and you'll pay the fee each time you exchange crypto for CAD.

On top of that you may have to pay an additional "third-party fee" for using the card at certain point-of-sale terminals, which can start to really eat into your investment if you use the card a lot.

Always pay attention to the fees on crypto cards. You want a fast way to spend your cryptocurrency, sure, but make sure your eagerness doesn't dig into your crypto stakes.

## Crypto cards have a long way to go...

...but they're making progress. Canada finally has a crypto rewards card that helps you earn "crypto cash back," which can be super lucrative if the crypto valuations are up. Likewise, Canada should see a crypto credit card soon. These credit cards will let you (supposedly) borrow money against your crypto investments, which could be a way around converting them to CAD at every point-of-sale transaction.

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