



Will the New CIBC Costco Mastercard Be Worth it?

Description

It's no longer a surprise. **Costco** has now entered its third business relationship with a credit card provider, this time **CIBC**. Whether or not the partnership will last, many of us are wondering the same thing: will the CIBC Costco **Mastercard** be *better* than the Capital One Costco card?

What we know

Right now, Costco has said very little about the new credit card. We know that it will be a rewards card. And we know the CIBC Costco Mastercard will continue to function as your membership card, too. But beyond that, we're in the dark.

What would make this card *more* than worth it

For one, it would need a more robust rewards program. Currently, the Capital One Costco Mastercard earns 3% on restaurant purchases and 2% on gas, with no caps on how much you can earn. That's great (excellent even), but the card doesn't earn any extra cash-back bonuses for purchases made within Costco retail stores. That's a huge miss. After all, this is a Costco credit card. If my card earns a meagre .5% (the current base rate) for Costco purchases, sorry — I'm not super motivated to use my CIBC Costco Mastercard at Costco, not when other [cash-back cards](#) and [rewards cards](#) have higher earn rates for grocery purchases.

Secondly, this card would be worth it if it came with a hefty welcome bonus. Right now, you get nothing for signing up. In my opinion, that's been a major disappointment for many Canadians. At this point, we'll take a couple of pumpkin pies or pizza slices for opening an account. Just give us something, preferably a voucher to spend at Costco (we'll buy the pies anyhow).

Lastly, and this could be a stretch, but I'd like to get my cash-back voucher more than once per year. Currently, you get your cash back rebated to you every January. This has caused a lot of headaches, especially if you canceled your card halfway through the year.

If nothing changed, would the CIBC Costco Mastercard be worth it?

If nothing changed, I'd say the card would still have a place in the wallet of Costco shoppers.

For one, it doesn't come with an annual fee. Of course, you have to pay for your Costco membership. But if you're already a membership, and you have a good credit score, you should have no problems applying for this card.

The base rate is pretty low (.5%), but it isn't terrible when compared to other no-fee credit cards. Besides, the 2% cash back on gas and the 3% on restaurant purchases are something to get excited about, especially since many no-fee credit cards never go higher than 2%.

The card in its current form also comes with plenty of insurance coverage, from travel insurance (travel accident coverage, baggage delays, rental car damage, 24/7 travel assistance) to shopping insurance (price protection, extended warranty, and purchase protection). Though I'd love to see mobile phone coverage added to this mix, the slew of insurance makes this card extra secure.

I'm hopeful we'll see a plan for the fully revamped CIBC Costco Mastercard credit card in the next few months. For now, you can still earn cash back on your Capital One Costco card, as Costco has already said they're give out the last vouchers for Capital One cardholders in January.

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