



5 Ways You're Using Your Rewards Credit Card Entirely Wrong

Description

[Rewards credit cards](#) are deceptively simple. Just swipe, earn, repeat right? How could it get more complicated than that?

Truth is, most Canadians will earn more rewards simply by being more strategic. If you're ready to get more rewards for your spending, here are five common mistakes you should avoid.

1. Ignoring shopping portals

Most credit card companies will give you higher rewards if you buy products through a shopping portal rather than in person or directly through the retailer's website.

A shopping portal is basically an affiliate link that takes you to a retailer's website. You've probably seen these in your credit card account before. Sometimes they're called "featured deals," usually with an expiration date.

Of course, you don't want to have a shopping spree simply to earn rewards. But if you're already buying products from your shopping portal's merchants, using the portal will only help you earn extra.

2. Hoarding rewards points

Rewards points aren't immune to inflation. Just like the purchasing power of a dollar erodes over time, your rewards points will become less effective the longer you wait to use them.

Of course, if you want to save up for a purchase, such as a plane ticket, or a week's worth of groceries, that's fine. But the longer you wait to use your rewards points, the less value you're getting out of them. Use them for short-term goals, and you won't risk eroding their worth.

3. Redeeming rewards for the wrong things

Often, your credit card points will be more valuable when redeemed in certain ways. This happens a lot with travel cards: your credit card company might have a partnership with a specific airline or hotel, and your points will be worth more when you make purchases through these specific companies.

So, before you redeem your points, do some research. Understand your redemption options, as well as which is the most advantageous for you.

4. Carrying a balance on your rewards card

Perhaps the biggest mistake you can make is to carry a balance on your rewards card. Using a card to buy things you can't afford, or simply letting your credit accumulate, will force you to pay interest on your balance. And when you're paying a 19.99% interest charge every month, that three times earn rate can start to feel a bit puny.

If you're struggling to pay off your monthly balance, consider getting a [balance transfer card](#) with an introductory low APR. The low-interest rate on the new card will help you put more toward your principal and less toward your debt. After you pay off that credit card debt, you can return it to a rewards card or cashback card.

5. Using the wrong card entirely

Finally, you could be breaking rule number one of rewards cards: [use the right rewards card](#).

That means picking a card that aligns directly with your shopping habits. Do you spend more money at the pump? Get a card that earns more points for gas. Are you a foodie who likes to eat out? Get a credit card that rewards you for restaurant purchases.

If your current card isn't earning you the optimal amount of rewards, go no further. Take a look at some of the [best credit cards in Canada](#) and get a card that turns your meagre rewards into a purchase you can't believe was covered.

CATEGORY

1. Personal Finance

PARTNER-FEEDS

1. Business Insider
2. Koyfin
3. Msn
4. Newscred
5. Quote Media
6. Sharewise
7. Smart News

8. Yahoo CA

PP NOTIFY USER

1. arosenberg
2. sporrello

Category

1. Personal Finance

Date

2025/06/29

Date Created

2021/10/21

Author

sporrello

default watermark

default watermark