



If the New CIBC Costco Mastercard Has These 4 Perks, Buying a Costco Membership Is Worth It

Description

Let's face it: a Costco membership card isn't the most exciting purchase you'll ever make. After all, who wants to pay money to shop in a store where you're most likely going to spend even *more* money?

For those on the fence about renewing their Costco membership, you might be wondering if the new CIBC Costco **Mastercard** will convince you to stay. While, of course, we don't know what the new Costco card entails, if it has these four perks, I'd say it's more than worth its weight in membership fees.

1. Higher rewards on Costco purchases

Right now, Capital One Costco earns 3% on restaurant purchases and 2% on gas, with no maximum to how much you can earn. For a card that doesn't charge annual fees, that's not too shabby. The problem? The card doesn't earn higher rewards for Costco purchases.

You'll earn .5% back for Costco purchases until you spend \$3,000, after which you'll earn a meagre 1%. That's nothing compared to the earn rates on Canada's best cashback cards, which can get you 3% to 5% on grocery expenses.

So, at the very least, I'd like to see the CIBC Costco **Mastercard** give us more cashback for Costco purchases. After all, Costco *does* give 2% on its Executive membership cards. Why not give 2% for all CIBC Costco cardholders?

2. Mobile phone insurance

So far, the Capital One Costco **Mastercard** has a slew of valuable insurance, from travel to shopping coverage. But there's one gaping hole in the mix — mobile phone insurance.

Mobile phone insurance covers a portion of your phone purchase when it's damaged, lost, or stolen. Of

course, to activate the coverage, you have to use your credit card to buy the phone, and even then there are some hoops to jump through (deductible, depreciation, settlement). Still, it's valuable coverage that can save you several hundred dollars.

Mobile phone insurance is relatively new. So I can't knock the Capital One Costco **Mastercard** too much for not having it. But for the CIBC Costco **Mastercard**, however, I'd certainly hope this free insurance is offered with the others.

3. A welcome bonus

This was another missed opportunity for the Capital One Costco **Mastercard**: it offered no welcome bonus.

Most [rewards cards](#) and [cashback credit cards](#) offer hefty bonuses when you charge a certain amount of money to your card within a period of time. Even cards with no annual fee can offer bonuses around \$150 to \$200.

My hope is that Costco will start offering a welcome bonus equal to an executive membership (\$120). That way, if you want to test drive a Costco membership, you can use the credit card to get in the door.

4. Discounts or rebates on Costco services

Costco isn't just a grocery store. It's a pharmacy, a travel book agency, a gas station, an optometrist, and even a tire shop.

With the exception of gas, all of these purchases trigger the current Costco card's base rate of .5% (or 1% after spending your first \$3,000). That doesn't exactly incentivize me to use my Costco credit card for these services, especially if I find cheaper prices elsewhere. What *would* incentivize, however, is offering me a promotional earn rate for these services, similar to the shopping portals in most credit card accounts.

Give me 5% back on tire purchases from now until the end of the year, for instance, and you might see my car in a Costco shop.

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