



5 Perks That Could Make the New CIBC Costco Mastercard Better Than the Last

Description

We're almost at the end of October, and for cardholders of the Capital One Costco Mastercard, that means one thing: the luxuriously new CIBC Costco Mastercard will soon be in our pockets.

While neither **CIBC** nor **Costco** have released any information around this new rewards credit card, I'd imagine CIBC wants to debut the card with new features and benefits. It could add (or remove) quite a few things, but if it wants to make this new card stellar, here's what I would add:

1. A hefty rewards program

The rewards program on the Capital One Costco card isn't terrible. In fact, for a cash-back card that doesn't charge an annual fee, it's pretty good. With the current card, you can earn 3% on all restaurant purchases, 2% on gas, and .5% for everything else (1% after you spend your \$3,000 annually).

But if CIBC wants to make this Costco Mastercard better, it's going to have to do some serious work to the rewards program.

For one, I'd like to see the CIBC Costco Mastercard give us more cash back for Costco purchases. At the very least, it could waive the \$3,000 minimum and give us a base rate of 1% for any purchases made at Costco. Even that is pretty scant, especially when compared with the earn rates on other cash-back cards for groceries and restaurants.

I'd also like to see CIBC experiment with some of Costco's other services. After all, Costco isn't just a grocery store. It's a pharmacy, travel agency, gas station, tire shop, and optometrist. Though I doubt Costco would agree to giving us higher cash-back rates for the purchase of new glasses, I'd feel more incentive to shop there if CIBC gave cardholders exclusive promotions.

2. No foreign transaction fee for U.S. Costco purchases

When you use your Capital One Costco card at Costco retailers across the border, you'll pay the

foreign transaction fee of 2.5%. That's pretty standard for most Canadian credit cards. But if CIBC wanted to really up its game, it would waive the fee for foreign purchases made in American Costco stores. After all, don't you want to encourage us to shop at Costco, even when we're in the States?

3. A welcome bonus

Even just a small sign-up bonus would do. For instance, CIBC could replicate the Rogers World Elite Mastercard and give a \$25 sign-up bonus. Or, if it wanted to attract more Costco customers, it could offer a free Costco Gold Star membership (equal to around \$60).

4. Mobile phone insurance

Mobile phone insurance works like this: when you purchase a phone with your credit card, your card provider will automatically insure your phone against accidental damage or theft. Of course, your credit card provider won't refund the total value of your phone: they'll take into account how much the phone has depreciated over time, giving you the actual value of your phone. Regardless, it's still valuable insurance for those who lose or break their phones frequently.

Right now, the Capital One Costco Mastercard doesn't have this feature. If CIBC wanted to beef up its Costco Mastercard, then it could easily add this in.

5. More flexible redemption options

Finally, I'd love to see CIBC and Costco give us more options to redeem our cash back.

Right now, to access your cash back, you have to wait until January, when Costco sends you a coupon with your earnings from the year before. You can use this coupon on Costco purchases (earning cash back at the base rate of .5%).

Now, don't get me wrong. Plenty of cardholders love redeeming their rewards only once a year. It feels like a Christmas bonus. But plenty of other cardholders *don't* like this feature. At the very least, Costco could let us redeem cash back on Mastercard's Pay with Rewards app, which would let us redeem rewards throughout the year.

I don't think Costco will remove the once-per-year redemption option. But, at the very least, it could add more options with it.

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