



Here's Why You Should Use Your Credit Card for Every Holiday Purchase (Hint: It's Not Reward Points)

Description

If you use cash for every purchase, you could be missing out on some lucrative credit card benefits. And no — I'm not talking cash back or [rewards points](#) either, though those are reason enough to use your card for every holiday purchase. I'm talking about the built-in benefits that protect your Christmas shopping — benefits cash couldn't dare to promise you. In sum, these reasons are why you should use your credit card over cash:

1. Fraud protection

Perhaps the biggest advantage of a credit card is fraud protection. If someone were to steal your wallet, including all your credit cards, you wouldn't have to worry about losing money on credit cards. Even if that thief maxed out every single card (let's say they charged \$50,000), you wouldn't be responsible for paying it back. You just call your credit card provider, let them know what happened, and poof — your card will be cancelled.

This is not so with cash. If that same thief stole a wallet of cash, you'd lose money. You can't call the bank and ask them to reimburse you for your loss. You'd have to accept your losses or spend your afternoon looking for the thief.

At the very most, you could pay \$50 for an unauthorized charge on your credit card (a maximum set by the Canadian government), and even then, paying \$50 is extremely rare.

2. Purchase protection

Liability isn't the only reason to use your credit card for Christmas shopping. Your card might have purchase protection, which will protect your purchases from accidental damage and theft.

Yes, that means, if you accidentally damaged a Christmas gift, your credit card provider might reimburse your purchase price. You'll definitely want to check your card's policy, however. Most

purchase protection plans protect purchases for only a limited period of time. Coverage amounts can differ, too, as can restrictions.

3. Extended warranty

Most credit cards have extended warranties, too. That means when the manufacturer's warranty on a product expires, your credit card company may extend it further. This can come in handy not just for this year's Christmas presents, but last year's, too.

4. Price protection

Yes: *more* free insurance.

Along with purchase protection and extended warranties, many credit cards come with price protection, too. If you bought an item before it went on sale, price protection ensures you get the difference between the two. For instance, if you bought an exercise bike for \$1,000, and it goes on sale for \$950 the next week, your credit card provider will credit \$50 to your account.

5. A welcome bonus

Okay, bonus tip: you should definitely use a credit card, above all [cash-back](#) or [rewards cards](#), to secure a lucrative welcome bonus.

This is literally free money. Yes, like, no strings attached, no crazy game show involved, no dares, nothing but spending a certain amount of money within a specific period of time. As long as you're going to spend money on Christmas (which, let's be real: who *isn't*?), you can easily score a welcome bonus on a new credit card.

That, in addition to the free insurance cited above, is why you should use your credit card for every holiday purchase. Let the cash pundits use their cash. As long as you don't overspend, incurring costly APRs, your credit card can trump their cash money any day.

Don't have the insurances cited above in your credit card? Take a look at some of [Canada's top credit cards](#), many of which have these insurances built in. Who knows? Maybe you could snag a welcome bonus on a new credit card, too.

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