



3 Things I Really Don't Like About the Canadian Tire Mastercard

Description

With many of us struggling to adapt to inflation (currently 4.7%), the **Canadian Tire Mastercard** offers some hope. For a card that doesn't have an annual fee, the 4% earn rate on Canadian Tire can help you at least pace with high prices, and the 1.5% back on grocery purchases and five cents per litre on gas is just icing on the cake.

But, notwithstanding these benefits, the Canadian Tire Mastercard *could* be better. While I love the high earn, these three things continue to disappoint me.

1. You earn money on *before-tax* dollars

The Canadian Tire Mastercard has a super lucrative earn rate of 4% on all Canadian tire purchases. But that is earn rate comes with one big caveat: it's 4% on *before-tax* dollars.

Yes, Canadian Tire doesn't factor in sales tax when calculating your earnings. That may seem like a small matter, but it can add up, especially if you buy big-ticket items from Canadian Tire or affiliates.

For example, let's say you wanted to get an electric bike that costs \$2,799. Assuming we're buying this in Ontario (each province will be slightly different), the tax on this bike will come out to around \$364, which means your grand total comes out to \$3,163.99. Now, if you were to earn 4% on your total purchase—tax and the price of the bike—you would get 4% of \$3,163.99 or \$126.55 in Canadian Tire Money. Instead, you get \$111.96, nearly \$15 less.

Other rewards cards and cash back cards give you earnings on after-taxes. So why doesn't Canadian Tire?

2. The low base rate

The 4% earn rate on Canadian Tire purchases is great. And considering that there's no earning cap on your card, you could earn a high amount of Canadian Tire money.

But the base rate? Well, now that's a different story.

The base rate—that is, the rate at which you earn cash back for purchases outside of Canadian Tire—is a crummy 0.8%. That's *pre-tax*, too. So, if you spend \$100 outside Canadian Tire stores, you'll earn \$0.80 in Canadian Tire money. With inflation as high as it is, that's not even enough to buy gum.

Of course, I understand: Canadian Tire wants you to shop at its stores. And this card doesn't come with an annual fee, so there's that, too. But even the new CIBC **Costco** Mastercard (also no annual fee) has recently raised its 0.5% base rate to 1%. Should the Canadian Tire Mastercard do the same? I think so.

3. Only one redemption option

Most [rewards cards](#) and [cash-back cards](#) give you several options to redeem your rewards: gift cards, cash back, statement credits, cheques, merchandise, among others.

But not the Canadian Tire Mastercard.

With this card, you can use Canadian Tire money only at Canadian Tire stores. What's worse is that you can't even use your Canadian Tire money at Husky/Gas+ stations, which are Canadian Tire affiliates. That can put a damper on your earnings, especially if you don't shop often at Canadian Tire.

Is the Canadian Tire Mastercard right for you?

If you don't shop frequently at Canadian Tire, I would take a look at some of Canada's best [rewards cards](#) or [cash-back cards](#). Choose a card that will reward you more points or cash back for your spending, as well as gives you favourable options to redeem them.

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