



CIBC Costco Mastercard: Canada's Finest, or a Complete Disappointment?

Description

Some claim we're living in the "golden era" of [rewards](#) and [cash back credit cards](#). Cash back and rewards have never been higher, free perks and insurance are basically assumed, and credit card companies seem to be competing over who can give out the highest welcome bonus without going completely broke.

But what about the new **CIBC Costco Mastercard**? Can it compete with Canada's finest rewards cards, or will it be a total flop? While we still have two months before its release (March 4), let's take a look at what we know about the CIBC rewards credit card, both its benefits and its disappointments.

CIBC's finest benefits

If there's one thing I love about this card, it's the new earn rates.

For one the CIBC Costco Mastercard earns 1% as a base rate. The old Mastercard—the **Capital One** version—came with a meagre base rate of 0.5%, which turned into 1% after you spent \$3,000. The CIBC version starts you out at 1%, with no annual caps on your earnings.

Secondly, let's talk about the *bonus* rates. To date, the CIBC Costco Mastercard is the only Costco credit card that has ever earned more cash back for Costco purchases. At a whopping 2% back, you can finally collect more money when you shop on Costco.ca (in-store purchases still earn at 1%). This rate maxes out at \$8,000 spent (or \$160 in cash back), after which you'll earn 1% on Costco.ca purchases.

Then there's gas. You'll earn 3% back on Costco Gas and 2% everywhere else. Like your earn rate on online purchases, this gas rate maxes out at \$5,000 spent (1% afterward).

Lastly, there's the earn rate of 3% back on restaurant purchases, which has no annual cap. This is the same rate as the CapitalOne Costco Mastercard, but still—I'm glad CIBC decided to keep it.

In addition to the bonus rate, the CIBC Costco Mastercard comes with mobile insurance coverage, a

first for the Costco credit card family. When you purchase a phone with your CIBC Costco Mastercard, you get valuable insurance that protects it from theft or damage.

CIBC's biggest disappointments

Perhaps the biggest disappointment is that you still don't earn extra [cash back](#) for purchases made inside a Costco warehouse. While the 2% back on Costco.ca is nice, I would still love to see this card earn 2% back in-store.

Speaking of that 2% bonus rate, another disappointment is the earnings caps. For gas purchases, you can spend a maximum of \$5,000 at the bonus earning rate, while for Costco.ca purchases, you have a spending cap of \$8,000. That means you could earn a maximum of \$150 on gas (if you shop exclusively at Costco Gas) and \$160 shopping online. For Costco shoppers who can blow through \$8,000 in a few months, that bonus rate will quickly become a thing of the past.

Finally, even though the new CIBC Costco Mastercard comes with mobile insurance coverage, it's missing crucial insurance from the previous card. The Capital One Costco Mastercard had travel accident insurance, baggage delay insurance, rental car damage and theft coverage, along with price protection, extended warranty, and purchase protection. To be fair, the CIBC card has extended warranty and purchase protection, too, but the others are noticeably missing from [Costco's announcement page](#).

The verdict: disappointment or major feat?

Until we receive our cards and put them into use, it's hard to pass judgment. That said, from what I can see, the CIBC Costco Mastercard is certainly superior to other Costco credit cards, above all, the current Capital One card.

If you're a regular shopper at Costco, this card will definitely occupy an important place in your wallet (it better—it functions as your Costco membership card, too). That said, if you're on the fence about becoming a Costco member, I doubt this card will change your decision. You can easily earn more cash back on [Canada's top cards](#), not to mention get a pretty good sign up bonus while you're at it.

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