



The New CIBC Costco Mastercard Is Finally Here: Should You Get One?

Description

Well, folks, we made it: the **CIBC Costco Mastercard** has finally arrived. That means your current Costco Mastercard — the **Capital One** version — will start earning 2% back at Costco.ca and 3% at Costco Gas.

For Costco members, this card might be worth adding to your arsenal. After all, the earn rates are high, and there's no annual fee. That said, you still have to apply for the card, which involves a hard inquiry on your credit report, and if you don't use the card frequently enough, it might not be worth the temporary damage to your credit score.

So, is the new CIBC Costco Mastercard worth it, or are you better served with another card? Let's take a look.

The case for the CIBC Costco Mastercard

Perhaps the best reason to get the CIBC Costco Mastercard is to take advantage of the card's bonus earn rates: 2% at Costco.ca and 3% back at Costco Gas.

To be fair, both of these rates have earnings caps. For the 2% rate at Costco.ca, your card will start earning 1% after you spend \$8,000 on Costco.ca purchases (\$160 in cash back). For the 3% rate, your card will earn 1% after you spend \$5,000 in gas (\$150 in cash back).

Even so, the bonus rates could make this card worth it, especially if you're already shopping at Costco.

Another reason to get the CIBC Costco Mastercard is to accumulate all cash back in the form of a Costco voucher, which is issued once per year. If you're a frequent shopper at Costco, you might like the idea of amassing a tonne of cash back to use in Costco stores. Your card will earn 3% back at restaurants, too, along with 1% everywhere else, which could help you earn more for your Costco purchases.

Here's why you should consider a CIBC Costco Mastercard

Obviously, if you're not a frequent shopper at Costco, then you wouldn't benefit from this card. But even if you *are* a frequent shopper, the CIBC Costco Mastercard might earn you less than you'd hope.

For one, I wouldn't use the CIBC Costco Mastercard if you have a [cash-back card](#) with a base rate that's 2% or higher. With a card that has a base rate of 2%, you're already earning more than the Costco Mastercard's bonus rate for Costco.ca purchases (also 2%). You're not going to get any better — so why get it at all?

The same could be said for gas. If you have a [cash-back](#) or [rewards card](#) that earns 3% for gas purchases, you don't need to get another cash-back card. You're better off finding a card with an earning category that you're currently *not* taking advantage of (utilities or entertainment, for instance).

Secondly, I wouldn't get this card if you don't shop on Costco.ca or buy gas at Costco Gas. The latter is crucial: if you don't buy gas at Costco Gas, your card will earn 2% up to \$5,000 spent, which isn't that great when compared to other cash-back cards.

Finally, this card isn't right for you if you don't want your cash back in the form of a Costco voucher. Those who want to apply cash back against their statement credit — or deposit their earnings in a [brokerage account](#) — will do better with another cash-back credit card.

Should you get the new CIBC Costco Mastercard?

To be clear, the question isn't, "Can you apply for the CIBC Costco Mastercard?" The answer to that is simple: as long as you have a Costco membership, and your credit score is good, Costco will accept your application.

Rather, the question is, "Will the CIBC Costco Mastercard be better than any other [rewards credit card](#)?" If you're a frequent shopper at Costco, the answer to that might be yes. Otherwise, your time is better spent looking at some of [Canada's top credit cards](#) — ones that could earn you more rewards or cash back.

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