



Our Top Picks for Cash Back Credit Cards in Canada

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- [Rewards credit cards](#)
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- [Balance transfer credit cards](#)
- [Secured credit cards](#)
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Before you start comparing cash back credit cards...

Let's make sure this is the right page for you.

- **If you have existing credit-card debt...** you should consider paying that down before focusing too much on cash back or other rewards. A [balance transfer card](#) can help down credit-card debt faster.
- **If you have a poor credit score...** or no credit history at all, you'll likely find it tough to get approved for a top cash back card. In this case, consider a [secured credit card](#) to build your credit first before focusing on cash back.
- **If you've had trouble managing credit cards...** and if you're concerned about building up credit-card debt, a [prepaid card](#) might work best. With a prepaid card, you can only spend what's on the card and so you can't accumulate debt. And some secured cards offer rewards as well.
- **If you're just after "rewards" in general...** this page covers cash back credit cards, which is a subset of all rewards credit cards. If you're not sure that cash back is the right type of rewards for you, you might want to check out our broader [rewards credit card](#) page.

How to get the most out of this cash back credit card comparison

Focus on these four things as you look at the options below, and you might find it a bit easier to decide:

1.

Cash back earn rate: Quit simply, the higher the rate of cash back the card offers, the better.
[\(read more\)](#)
2.

Cash back terms: Almost as important as the cash back earn rate is how you earn. We tend to prefer a flat rate that you earn across all spend becuase it makes your cash back earning very easy. Other cards have differing earn rates depending on how or where you spend. This can be lucrative, but requires a little more thought on your end. [\(read more\)](#)
3.

Welcome rate or bonus: Some cards offer either a welcome bonus or give you a higher rate for the first few months of card ownership. This can increase your total earn through the first year. [\(read more\)](#).
4.

Annual fee: The simplest appraoch is to go with a card with no annual fee. However, depending on the card and your spending, paying an annual fee can be well worth it, since higher cash back rates on cards with fees can lead to much higher cash back earnings. [\(read more\)](#)

What about APR? We don't focus much on APR in these ratings. That may seem strange. But we feel strongly that you shouldn't be borrowing on your credit card (it's much too expensive!), so the APR on a card is a much less important feature. You can [read more about our reasoning](#).

The Motley Fool Canada's top cash back credit card picks at a glance:

Credit card	Cash back earn rate	Rating	Star	Star
SimplyCash™ Preferred Card from American Express	<ul style="list-style-type: none">2% cash back on all spending (after your Welcome Rate ends)	<div>Image not found</div> Star	<div>Image not found</div> Star	<div>Image not found</div> Star

Credit card	Cash back earn rate	Rating	Star	Star
CIBC Dividend Visa Infinite Card	<ul style="list-style-type: none">• 4% on gas and groceries• 2% on transportation, dining, and recurring payments• 1% on everything else	Image not found Star	Image not found Star	Image not found Star
TD Cash Back Visa Infinite Card	<ul style="list-style-type: none">• 3% on eligible grocery, gas, and recurring bill payments• 1% on all other purchases	Image not found Star	Image not found Star	Image not found Star
Scotia Momentum Visa Infinite Card	<ul style="list-style-type: none">• 4% at grocery stores, recurring bill payments, and subscription purchases• 2% on gas and daily transit• 1% on everything else	Image not found Star	Image not found Star	Image not found Star
SimplyCash™ Card from American Express	<ul style="list-style-type: none">• 1.25% cash back on all spending (when your Welcome Rate ends)	Image not found Star	Image not found Empty Star	Image not found Star
Rogers World Elite Mastercard	<ul style="list-style-type: none">• 1.5% on regular purchases• 3% on eligible purchases made in U.S. dollars (note 2.5% foreign transaction fee)	Image not found Star	Image not found Empty Star	Image not found Star
Tangerine World Mastercard	<ul style="list-style-type: none">• 2% Money-Back Rewards in two categories of choice• 0.5% Money-Back Rewards on everything else	Image not found Star	Image not found Empty Star	Image not found Star

Credit card	Cash back earn rate	Rating	Star	Star
Tangerine Money-Back Credit Card	<ul style="list-style-type: none">• 2% Money-Back Rewards in two categories of choice• 0.5% Money-Back Rewards on everything else	<div>Image not found</div> Star	<div>Image not found</div> Empty Star	<div>Image not found</div> Star
Neo Financial Mastercard	<ul style="list-style-type: none">• Guaranteed minimum 1% cash back across all spending	<div>Image not found</div> Star	<div>Image not found</div> Empty Star	<div>Image not found</div> Star

Our top pick: SimplyCash® Preferred Card from American Express



Cash-back earning potential and simplicity are what good cash-back cards are all about. And American Express’s SimplyCash Preferred gives you both. In your first 10 months as a new SimplyCash® Preferred Card from American Express Cardmember, you can earn a \$40 statement credit for each monthly billing period in which you spend \$750 in purchases on your Card. This could add up to \$400 in statement credits in the first 10 months.

Pros:

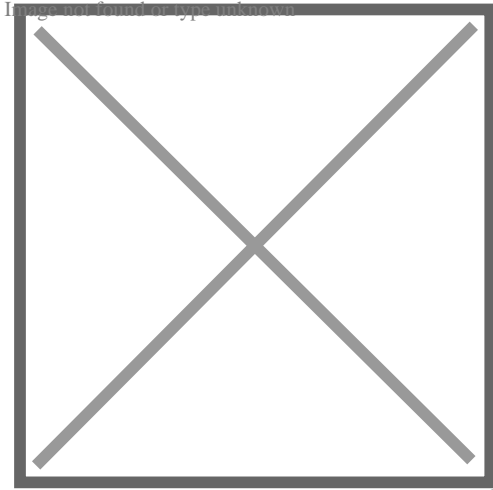
- Earn accelerated earn rates on eligible gas and grocery purchases
- Earn 4% cash back on eligible gas station purchases in Canada, 4% cash back on eligible grocery store purchases in Canada (up to \$1,200 cash back annually) and 2% cash back on all other purchases
- Access events and special offers curated for Cardmembers with American Express® Experiences

Cons:

- \$119.88 annual fee (\$9.99/monthly)
- On the American Express network, which is comparably less accepted versus Visa and Mastercard ([this is a concern to some, but we think the worry is overblown](#))

[See this offer on American Express's website](#)

Runner up: CIBC Dividend Visa Infinite Card



The CIBC Dividend Visa Infinite card is on a tiered earning system, so it's not nearly as straightforward as the SimplyCash Preferred. We also believe the SimplyCash preferred will simply (see what we did there?) have better earning potential for most people. However, this CIBC card is still pretty great. The top-end 4% cash-back rate on gas and groceries is stellar and you also get 2% on transportation, dining, and recurring payments (it drops to 1% for everything else). Like the SimplyCash Preferred there's no limit on the total cash back you can earn, but the higher 4% and 2% rates only apply until you've spent a total of \$80,000 on your card during the year or \$20,000 in the high-earning categories (gas stations, grocery stores, etc.) After that,

all spending drops down to a 1% cash-back rate. There's no welcome earn rate or bonus, but CIBC does waive the \$120 annual fee for the first year.

Pros:

- High 4% rate on gas and groceries
- 2% on transportation, dining, and recurring payments
- Annual fee waived for the first year

Cons:

- \$120 annual fee (after the first year)
- Earn rate drops to 1% for all spending after certain spending limits are hit

Top no-fee cash back: SimplyCash® Card from American Express



If you line up the SimplyCash Amex with its ritzier cousin the SimplyCash Preferred and the CIBC Dividend Visa Infinite (and a few other cards on our list) and judge solely based on earning potential, the SimplyCash Card decidedly falls short. But there's no annual fee here. Instead of having to cough up \$100 or more just for the chance to earn cash back, the SimplyCash Card charges no fee. Tack on a welcome package — In your first 10 months as a new SimplyCash® Card from American Express Cardmember, you can earn a \$10 statement credit for each monthly billing period in which you spend \$300 in purchases on your Card. This could add up to \$100 in statement credits in the first 10 months.

Pros:

- No annual fee
- Earn accelerated earn rates on eligible gas and grocery purchases
- Earn 2% cash back on eligible gas purchases in Canada, 2% cash back on eligible grocery purchases in Canada (up to \$300 cash back annually), and 1.25% cash back on all other eligible purchases

Cons:

- Lower earning potential versus cards with annual fees
- On the American Express network, which is comparably less accepted versus Visa and Mastercard ([this is a concern to some, but we think the worry is overblown](#))

[See this offer on American Express's website](#)

More details on our featured cash-back credit cards:

SimplyCash™ Preferred Card from American Express

Best Overall Cash Back Card

SimplyCash TM Preferred Card from American Express Logo

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Our Rating:
Star Star Star Star Star

Image not found or type unknown

5.0 stars

[Open Account](#)

On American Express's secure website.

Top Perks

- No annual fee for supplementary cards
- Valueable insurances including baggage delay, flight delay, and car rental
- Entertainment and dining perks with American Express® Experiences

[Open Account](#)

On American Express's secure website.

Cash back

- 2% cash back on all spending (after your Welcome Rate ends)

Welcome bonus

Earn 10% cash back for the first 4 months (up to \$400 cashback).

[Learn more](#)

Annual fee:

\$99

Eligibility:

Credit rating: Good

Updated: 12/01/2021. This post was not sponsored. The views and opinions expressed in this review are purely those of the author. American Express is not responsible for maintaining or monitoring the accuracy of information on this website. For full details and current product information click the Apply now link. Conditions apply.

CIBC Dividend Visa Infinite Card

Runner-up Best Cash Back Card

CIBC Dividend Visa Infinite Card Logo

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Our Rating:

Star

Star

Star

Star

Star

Image not found

5.0 stars

Top Perks

- Save up to 10 cents per litre at Chevron, Ultramar and Pioneer when card is linked with Journie Rewards
- Mobile device insurance
- Valuable insurance including purchase security, emergency travel medical insurance, and rental car insurance

Cash back

- 4% on gas and groceries
- 2% on transportation, dining, and recurring payments
- 1% on everything else

Welcome bonus

10% cash back on first 4 statements (up to \$2,000 in purchases) and 1st year annual fee rebated

Annual fee:

\$120

Eligibility:

Credit rating: Very good
Minimum income: \$60,000 (individual), \$100,000 (household)

TD Cash Back Visa Infinite Card

Great Cash Back Plus Free Emergency Roadside Service

TD Cash Back Visa Infinite Card Logo

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Our Rating:
Star Star Star Star Star

Image not found or type unknown

5.0 stars

Top Perks

- Emergency Road Services with Deluxe TD Auto Club Membership
- Save 10% or more on lowest available base rates in Canada and U.S. at participating Avis and Budget locations
- Valuable insurances including travel medical insurance and lost baggage insurance

Cash back

- 3% on eligible grocery, gas, and recurring bill payments
- 1% on all other purchases

Welcome bonus

6% cash back on all purchases for first 3 months (up to a \$2,000 in spending). Plus, no annual fee 1st year for main and supplementary cards.

[Learn more](#)

Annual fee:

\$120

Eligibility:

Credit rating: Very good

Minimum income: \$60,000 (individual), \$100,000 (household)

Scotia Momentum Visa Infinite Card

Best Cash Back Card for Recurring Payments and Subscriptions

Scotia Momentum Visa Infinite Card Logo

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Our Rating:
Star Star Star Star Star

Image not found or type unknown

5.0 stars

[Open Account](#)

On Scotiabank's secure website.

Top Perks

- Save up to 25% off base rates at participating AVIS and Budget locations in Canada and the U.S.
- Mobile device insurance
- Valuable insurance including flight delay, lost baggage, and rental car

Cash back

- 4% at grocery stores, recurring bill payments, and subscription purchases
- 2% on gas and daily transit
- 1% on everything else

Welcome bonus

Earn 10% cash back on all purchases for the first 3 months (up to \$2,000 in total purchases). No annual fee in the first year, including on supplementary cards. *(worth up to \$350)*

Annual fee:

\$120

Eligibility:

Credit rating: Very good

Minimum income: \$60,000 (individual), \$100,000 (household) or \$250,000 assets under management

SimplyCash™ Card from American Express

Best No-Fee Cash Back Card

SimplyCash™ Card from American Express Logo

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Our Rating:

Star

Star

Star

Star

Empty Star

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4.5 stars

[Open Account](#)

On American Express's secure website.

Top Perks

- No limit on cash back you can earn
- Entertainment and dining perks with American Express Experiences
- Purchase protection up to \$1,000 per occurrence

Cash back

- 1.25% cash back on all spending (when your Welcome Rate ends)

Welcome bonus

4% cash back for first 6 months (up to \$200 cash back)

Annual fee:

\$0

Eligibility:

Credit rating: Good

Updated: 12/01/2021. This post was not sponsored. The views and opinions expressed in this review are purely those of the author. American Express is not responsible for maintaining or monitoring the accuracy of information on this website. For full details and current product information click the Apply now link. Conditions apply.

Rogers World Elite Mastercard

Best Cash Back Card for U.S. Spending

Rogers World Elite Mastercard Logo

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Our Rating:

Star

Star

Star

Star

Empty Star

Image not found or type unknown

4.5 stars

Top Perks

- Free Boingo Wi-Fi at over 1 million hotspots worldwide
- Trip cancellation and rental car insurance
- Purchase protection coverage

Cash back

- 1.5% on regular purchases
- 3% on eligible purchases made in U.S. dollars (note 2.5% foreign transaction fee)

Welcome bonus

\$25 cash back on first purchase within first 3 months

Annual fee:

\$0

Eligibility:

Credit rating: Very good

Minimum income: \$80,000 (individual), \$150,000 (household)

Tangerine World Mastercard

Best Cash Back Card for Choosing Your Own Categories

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4.5 stars

[Open Account](#)

On Tangerine's secure website.

Top Perks

- Get a 3rd 2% rewards category if transferring rewards into a Tangerine savings account
- Valuable insurances including rental car and mobile device insurance
- Access to Boingo Wi-Fi at over 1 million hotspots worldwide

[Open Account](#)

On Tangerine's secure website.

Cash back

- 2% Money-Back Rewards in two categories of choice
- 0.5% Money-Back Rewards on everything else

Welcome bonus

Earn an extra 15% back (up to \$150) when you apply for a Tangerine World Mastercard by January 31, 2022 and spend up to \$1,000 in everyday purchases within your first two months.*

Annual fee:

\$0

Eligibility:

Credit rating: Good
Minimum income: \$60,000 (individual) or \$100,000 (household)

Tangerine Money-Back Credit Card

Best Cash Back Card for Fair Credit

Tangerine Money-Back Credit Card Logo

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Our Rating:
Star Star Star Star Empty Star

Image not found or type unknown

4.0 stars

[Open Account](#)

On Tangerine's secure website.

Top Perks

- 6 months 1.95% interest on balance transfers made in the first 30 days (1% fee applies, 19.95% interest after 6 months)
- Get a 3rd 2% rewards category if transferring rewards into a Tangerine savings account
- Purchase coverage for the first 90 days

[Open Account](#)

On Tangerine's secure website.

Cash back

- 2% Money-Back Rewards in two categories of choice
- 0.5% Money-Back Rewards on everything else

Welcome bonus

Earn an extra 15% back (up to \$150) when you apply for a Tangerine Money-Back Credit Card by January 31, 2022 and spend up to \$1,000 in everyday purchases within your first two months.*

[Learn more](#)

Annual fee:

\$0

Eligibility:

Credit rating: Fair
Minimum income: \$12,000

Neo Financial Mastercard

Best Digital-First Cash Back Card

Neo Financial Mastercard Logo

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Our Rating:

Star

Star

Star

Star

Empty Star

Image not found

4.0 stars

[Open Account](#)

On Neo Financial's secure website.

Top Perks

- Average 4% cash back at Neo Financial partners
- Digital-first experience for easy spend tracking and card management
- No annual fee, overlimit fee, or inactivity fee

[Open Account](#)

On Neo Financial's secure website.

Cash back

- Guaranteed minimum 1% cash back across all spending

Welcome bonus

None

Annual fee:

\$0

Eligibility:

Credit rating: Good

Our review methodology for cash back credit cards

Here's what we consider when reviewing cash-back credit cards:



Cash-back rate

This is easily the most important feature of a cash-back card, since it's the reason you're getting the card in the first place.

In Canada, cash-back rates tend to range from as low as 0.5% to as high as 10% for certain promotions or welcome rates. Generally, rates in the 2% range are good, especially if those rates are consistent across types of spending. There isn't too much more to say about the cash-back rate because it really is as easy as it seems: a higher rate is better.

Cash-back earning terms

In some cases, a card will have a flat cash-back rate that you earn across all types of spending. Assuming the earn rate is attractive, we tend to prefer these types of cash-back cards. The reason is that it's easy. You don't have to think about which card you're using where or juggling cards if you're trying to maximize earnings.

We view cash-back cards as a way to make earning credit-card rewards easier, not more lucrative — you generally can earn a higher level of rewards with other non-cash-back [rewards cards](#). For that reason, we like cash-back cards that keep it simple.

With that in mind, some very attractive cash-back cards do have varying earn rates. This means that you might earn one rate if you use the card for groceries and then another rate if you're spending on gas. If you're trying to maximize your earnings across multiple cards, this might mean that you have to think about which card you use where. But there's also nothing wrong with simply using a tiered cash-back card for all purchases and not worrying about the higher and lower earn rates.

Welcome rate or bonus value

Some cash back cards will offer a welcome bonus for using your card for the first time or for spending a certain amount over a period of time.

In other cases, a cash-back card might offer a welcome earn rate instead of a bonus. In this case, the card would give you a higher cash-back rate for a certain period of time, like three or six months. These welcome earn rates can reach as high as 10% or 15%.

Annual fee

Annual fees can make sense for cash back cards, but only when it means you're likely to earn more total cash back. Our reviews focus primarily on the first year of card ownership, so we favor cards that waive the annual fee in the first year.

All of the other perks

There are many other perks that credit cards offer. Some of these perks can be really valuable. However, it can be very hard to value many of these perks, especially since users vary widely in whether they make use of a certain perk or not. Prior to Covid at least, many of us were avid travelers, which makes perks like rental car insurance and flight delay insurance great add-ons. For people that don't travel as much, these have far less value.

Likewise, we don't use potential balance transfer savings as part of the initial rankings calculation for cash back cards. If you have credit-card debt and need a balance transfer to help you pay it down, check out our [featured balance transfer cards](#), focus on getting that card debt paid down, and then turn your focus to maximizing cash back.

We don't completely ignore all of these perks though. Our focus with our featured cash-back cards is to help you maximize the amount of cash back you're earning.

Interest rate / APR

Interest rates and APR do *not* play a role in our picks of cash back credit cards.

It's our view that APR is not terribly important when choosing most credit cards, and cash back cards in particular. The reason is that credit cards are not a good way to borrow money (the rates are far too high no matter what the APR) and therefore you shouldn't be carrying a balance (debt) on your credit card. So the fact that one card has an APR of 18% and the other has an APR of 20% or even 25% shouldn't make a difference. You're not borrowing at that rate, so the difference in rate doesn't matter.

Meanwhile, through our own experience and by talking with consumers who aren't us, we've come to the conclusion that people often put too much weight on APR when choosing a credit card. In a way it makes sense. APR is a standard, and easily comparable number, and lower is naturally better. So when making a difficult choice among credit cards, it's natural to gravitate to something that *seems* like it can help you make that choice.

For this reason, we keep APR out of our top pick evaluation.

If you find yourself thinking "hey, just wait a second!" while reading this, yes, we know the reality is that many, many people do carry debt on their credit card. And when you have credit card debt, the interest rate does matter. Our view is that for those that have existing credit card debt, the best plan of action is to focus on paying that debt down first, and only then get concerned about how much cash back that credit card offers. [Balance transfer credit cards](#) can be a great way of drastically lowering credit card interest and allowing debt to be paid down more quickly. There are also cards that specifically market themselves as low-interest-rate cards — which usually still aren't particularly low interest compared to other borrowing methods, but are low compared to most credit cards.

So it is our strong suggestion (urging!) that before you spend a lot of time comparing cash back credit cards, you've already taken the step to pay down existing credit card debt, and have a budget in order so that you can avoid going into credit-card debt again. At that point, APR doesn't make as much of a difference to you and therefore shouldn't be a major factor in choosing.

Naturally, this won't apply to every single case. But when you feel that APR is an important factor for

you, you can use APR in conjunction with our rating to help you choose.

Will our featured cash back cards work for you?

Because we're basing this on the idea of the "average Canadian" (whatever that means, right?), our aim is that for most people reading this, yes, our top picks should equate to a better or worse card for you.

There are some instances where our featured cards may not work for you. Here are the top reasons they may not:

- **You spend a lot more than the average person.** If you are a really big spender, your results could differ considerably from how we evaluate cards. The quick remedy to this is to look for the higher-end cards among those we recommend. You'll likely benefit more from these cards than the average user.
- **You spend a lot less than the average person.** If you spend a lot less than average, your results will also diverge from how we pick featured cards. In this case, opt for a card with no fee. Yes, earn rates and perks will be less, but it should work out better for you since your earnings won't be eaten up by an annual fee. We actually have a whole page comparing just [no-fee cards](#).
- **You expect that you will carry a balance on your card.** We strongly suggest that you do not carry a balance on your credit card if you can at all avoid it. Borrowing rates on credit cards are not attractive and it's good to exhaust other borrowing avenues and budget adjustments before incurring credit card debt. However, if you know that you will need to carry a balance, you should take APR into account in addition to our rating, since we do not include APR as part of our evaluation.

What exactly is a cash back card?

A cash back card is pretty much how it sounds: you earn "cash back" for shopping with your credit card. How much you earn depends on your card's earn rate, usually around 1% to 3%, though some rewards programs will offer you higher rewards for specific spending categories.

What are the types of cash back cards?

Though you have no shortage of cash back credit card options, you can separate them by the structure of their rewards program. In general, you can classify cash back cards as *flat-rate*, *bonus-category*, and *rotating-categories*.

Flat-rate

Flat-rate cards offer one universal earn rate, which is applied to all purchases. For example, if your card has a 2% flat-rate, you'll earn \$2 for every \$100 you spend, no matter if it's on gas, food, or travel.

Flat-rate cards are ideal for Canadians who want one credit card, as you can earn a solid rate no matter where you shop. The downside is you won't earn bonuses for certain spending categories, which can represent a loss if you spend heavily on certain expenses.

Bonus-category / tiered

With bonus-category cards, you'll typically have a flat-rate that's applicable to all purchases, along with significantly higher "bonus rates" for certain spending categories. For example a card might offer 3% on gas and groceries, 2% on dining, transportation, and recurring payments, and 1% for everything else.

Occasionally, some bonus-category cards will put a cap on how much bonus you can earn in each category. For example, you may find a cash back card that gives you 5% back on all grocery purchases, which sounds extremely lucrative (it is). But upon reading the terms and conditions you learn you can only earn \$1,500 annually in rewards. In this case, after you spend \$30,000 on groceries (which will earn you \$1,500 in rewards), you'll stop getting cash back, until the year is up and your card recharges.

Rotating-category

Rotating-category cards work similarly to bonus cards: your card has a flat-rate applied to all purchases along with a significantly higher rate applied to bonus categories.

The difference between the two? Rotating cards change bonus periodically, usually quarterly or yearly. So, for example, you may earn 5% cash back on groceries for the first three months, 5% on dining the next three, and 5% on gas the three months after.

Credit card companies will typically tell you in advance which categories will qualify for bonus rates, either at the beginning of the year or right before the new quarter begins. Though the bonus rates on rotating-category cards are superb — some of the highest around — you're not guaranteed to get categories on which you spend a great deal.

Similar to bonus-category cards, the bonus categories typically have spending caps after which you'll longer receive cash back.

How do you get your cash back?

Cash back rewards are one of the most versatile rewards programs out there. Once you've accumulated enough cash back, you can typically redeem it for a statement credit, a deposit into your checking account, a check in the mail, or even a gift card.

Keep in mind some cards will have redemption minimums, such as \$25. Also if you plan on applying your cash back rewards to your statement balance, you still have to pay the minimum on your account to avoid paying late fees and damaging your credit score.

What credit score do you need to get a cash back card?

While every credit card company differs, you should have at least a good credit score (680 or above) if you want your application to be approved. For some cash back cards, especially those with the highest

rewards, you'll probably need a score in the very good (720 to 779) or excellent (780 or above) range.

How can you pick a cash back card?

1. Pick a cash back card that matches your spending habits

When it comes to cash back cards, you want to choose a card that will earn you the most money. One strategy is to go over your monthly expenses and identify spending categories that outpace the others. Once you've identified popular expenses, look for credit cards that will give you the most rewards for those categories.

2. Look for sign-up bonuses

Many credit card companies offer welcome bonuses, which help you earn more rewards for an introductory period. Introductory bonuses can be highly lucrative. For example, a card might have an introductory cash back rate of 10%, which lasts for the first three months, along with waived annual fees.

Though you don't want the bonus offer to be the only reason you take out a card, it can certainly help you decide between two similar cards.

3. Don't brush off cash back cards with annual fees

Yes, it may seem counterproductive to pay an annual fee to use a rewards card. But sometimes the higher earn rates and bonuses on cards with annual fees far exceed the cost to use them. Always run the numbers first before you dismiss these cards.

Don't want to pay an annual fee? No problem. You still have plenty of good choices for cash back cards with no annual fees.

Should you care if the card is Visa, Mastercard, or American Express?

Some people have very strong views on Visa vs. Mastercard vs. American Express. Us? We don't stress too much on this question and focus more on the particulars of the cards.

Visa, Mastercard, and American Express are all payment networks. They're the backbone of the whole credit-card system, making sure that the swipe (or button click) at purchase time can properly trigger payment and the right account gets the purchase tacked onto its tally.

Visa and Mastercard are both pure networks, meaning that they don't issue cards themselves. They operate the networks and partner with banks (like CIBC or TD) who issue cards with the Visa or Mastercard logo. American Express, on the other hand, both operates the Amex payment network and issues cards.

The issue most often talked about when it comes to the three networks is acceptance. It's hard these days to find anywhere that doesn't accept Visa or Mastercard — unless it's a cash-only establishment. But there are merchants that accept credit cards, but don't take American Express. There used to be a relatively wide gap in acceptance between Amex and Visa / Mastercard, but that gap's been closing in recent years. *For the most part* you won't have too many problems spending to your heart's content with an Amex card (though seriously, be careful spending to your heart's content on a credit card, especially if your heart has expensive tastes).

We like to stress that the concern over Amex acceptance isn't something to worry about because Amex tends to have really top-notch cards, especially in the categories like cash back, rewards, and travel. Which means taking Amex off your list of cards also means likely avoiding some of the best cards on the market.

If you really love the idea of having just a single credit card in your wallet, then maybe a Visa or Mastercard is ideal. But with so many great no-annual-fee credit cards on the market, if the best card for you is an American Express, go for it! Then simply grab a no-annual-fee Visa or Mastercard to keep at the ready for the few times when a merchant doesn't accept Amex.

A cash back card might be right for you if...

You don't carry a monthly balance

When you don't pay your balance in full by the end of your billing cycle, you'll pay interest on all unpaid charges. Many cash back cards come with high APR (annual percentage rates), which means the interest on unpaid balances can be particularly harsh.

Depending on the actual APR of your card and the balances you carry, your interest can get so high, it essentially cancels out or surpasses what you earn in rewards. Some cash back cards will come with an introductory period of low APR, which usually lasts a year or more. Once that period ends, your APR will jump to a higher rate, usually between 15% to 25%.

For this reason, cash back cards are best for cardholders who don't plan to hold a high balance for consecutive billing cycles. Unless you lock into a low APR period, you'll pay a lot more in interest, making the card's rewards difficult to justify.

You have a good credit score

For those Canadians with average, fair, or poor credit, you'll find it difficult, if not impossible, to secure a cash back rewards card. The best option is to build your credit score with [a credit card designed for poor credit](#), then graduate later (after you've raised your score) to a more lucrative card.

The rewards outweigh the fees

If your cash back card comes with an annual fee, you first want to ensure you'll spend enough to make the fee worth it. For example, if your card has a 2% earn rate with \$100 annual fee, you'll want to

spend at least \$5,000 to break even.

What should you watch out for?

When it comes to cash back cards, it's easy to get so wrapped up in reward programs and earn rates, you overlook the terms and conditions. So, as you're reviewing different cards, here are some questions to ask yourself.

Do the rewards expire?

While not all rewards cards have expiration dates, make sure you understand the rules around credit card inactivity, as some rewards will expire if you haven't used your credit card in a long time.

Does it have quarterly or annual rewards caps?

Some cash back cards will stop earning rewards after you earn a certain amount. For example, you may have a nice 5% cash back on all food purchases, but your bonus could stop after you earn \$1,500 back. Typically, these earning caps recharge quarterly or yearly.

Should you avoid cards with rewards caps? Not necessarily. Most of the time, the caps are so high, you won't reach the maximum anyway. For example, for a card with a \$1,500 cap and a 5% earn rate, you'd have to spend \$30,000 in order to reach your maximum.

Does it have any redemption limitations?

Look carefully at your rewards program. Do you need to accumulate a minimum before you can cash in your rewards? Some credit card companies will set a minimum, such as \$20 or \$25, that you have to earn before you can cash in.

Likewise, make sure you understand how you can get your rewards. Most rewards programs are generous with redemptions, but quite a few may offer only one or two methods of cashing in.

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