



Our Top Picks for No Fee Credit Cards in Canada

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The Motley Fool Canada's top no fee credit card picks at a glance:

Credit card

[Tangerine World Mastercard](#)

[Tangerine Money-Back Credit Card](#)

Rewards

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

Credit card

Rewards

[SimplyCash® Card from American Express](#)

- 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)
- 1.25% cash back on all other eligible purchases

[PC Financial World Elite Mastercard](#)

- 30 PC Optimum points per \$1 at President's Choice grocery stores (like Loblaws, No Frills, and Valu-Mart)
- 45 PC Optimum points per \$1 at Shoppers Drug Mart
- 30 PC Optimum points per \$1 at Esso, Mobil, and PC Travel
- 10 PC Optimum points per \$1 everywhere else

[Rogers World Elite Mastercard](#)

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

[BMO CashBack Mastercard](#)

- 3% cashback on groceries, 1% cashback on recurring payments (like streaming services and monthly utilities), 0.5% on all other spending

Our top pick: Tangerine World Mastercard



Though you can earn more cash back or rewards with a couple of the cards on this list, and you can snag a better balance transfer deal with other cards on this list, no other no-fee card offers as good of a balance of features as Tangerine's World Mastercard. With this card, you get solid cash back earning potential — 2% across up to three categories and 0.5% on everything else — and, should you need it, a balance transfer offer at 1.95% for six months. Better still, the World Mastercard

offers a slew of features you don't usually get from a no-fee card like WiFi access, mobile device insurance, and rental car insurance. Note the World Mastercard has higher eligibility requirements, including an individual income of \$60,000 per year (or household income of \$100,000). If you don't

meet those, the [Tangerine Money-Back Credit Card](#) packs many of the same features, with lower qualification criteria.

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

Runner-up: SimplyCash® Card from American Express

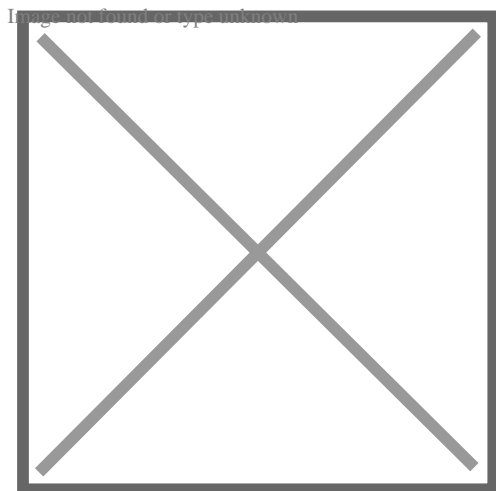


What stands out about the SimplyCash Card is the no annual fee

paired with a solid 1.25%-2% cash back rate depending on purchase category. 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. There's no balance transfer offer with this card, but because this is an American Express card, there are some nice travel and shopping perks.

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

Also consider: PC Financial World Elite Mastercard



From a pure rewards perspective, the PC Financial World Elite Mastercard may be more generous than the Tangerine cards. However, the limitations on where you earn higher reward rates and how you cash in your rewards make the PC Financial card far less flexible than the Tangerine cards. All that said, if you're a Loblaws shopper, like to fill your tank at Esso, or regularly purchase from the stores associated with this card, you could rack up a nice pile of rewards. And the card gives you a great head start too with its hefty welcome bonus.

[Read our full review of the PC Financial World Elite Mastercard](#)

All of our top no fee credit card picks:

Tangerine World Mastercard

First overall no fee credit card



Our Rating:

Star Star Star Star Star

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5.0 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 December 31, 2021 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

Second overall no fee credit card

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5.0 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 December 31, 2021 and spend up to \$1,000 in everyday purchases within your first two months.*

[Read our full Tangerine Money-Back Credit Card Review](#)

Annual fee:

\$0

Eligibility:

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

SimplyCash™ Card from American Express



Our Rating:

Star Star Star Star Star

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5.0 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

[Open Account](#)

On American Express's secure website.

Cash back

- 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

Welcome bonus

- 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

Annual fee:

\$0

Eligibility:

Credit rating: Excellent, Good

Updated: 10/14/2022. 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.

PC Financial World Elite Mastercard

Top no fee store rewards credit card

PC Financial World Elite Mastercard Logo

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Our Rating:

Star Star Star Star Empty Star

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4.5 stars

Top Perks

- No annual fee
- Car rental and travel emergency medical insurance
- Identity theft assistance service

Cash back

- 30 PC Optimum points per \$1 at President's Choice grocery stores (like Loblaws, No Frills, and Valu-Mart)
- 45 PC Optimum points per \$1 at Shoppers Drug Mart
- 30 PC Optimum points per \$1 at Esso, Mobil, and PC Travel
- 10 PC Optimum points per \$1 everywhere else

Welcome bonus

Up to 100,000 points (a \$100 value)

[Read our full PC Financial World Elite Mastercard Review](#)

Annual fee:

\$0

Eligibility:

Credit rating: Very good

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

Rogers World Elite Mastercard

Great no-fee, flat-rate cash back card

Rogers World Elite Mastercard Logo

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Our Rating:

Star

Star

Star

Star

Empty Star

Image not found

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)

BMO CashBack Mastercard

Cash back

- 3% cashback on groceries, 1% cashback on recurring payments (like streaming services and monthly utilities), 0.5% on all other spending

Welcome bonus

5% cash back on up to \$2,500 in spend during the first three months (up to \$125 cash back total)

Annual fee:

\$0

Eligibility:

Credit rating: Good

What is a no-fee credit card?

A no-fee credit card is a card that doesn't charge an [annual maintenance fee](#). With these kinds of cards, you won't pay anything to keep your account open. Of course, as with any credit card, you could accrue interest charges if you carry a [balance](#) from one billing cycle to another. But, so long as you pay your statement balance in full and on time every month, you could use your credit card essentially for free.

A card *with* an annual fee, in contrast, charges a fee once per year, usually on your card-member anniversary. In exchange for the fee, your card typically comes with a heftier rewards program, more built-in insurance, or a lower [annual percentage rate \(APR\)](#). Savvy cardholders will often pay the annual fee because the card's additional features outweigh the costs.

What types of cards have no fee?

When it comes to no-fee credit cards in Canada, you have plenty of options. For Canadians with [good or excellent credit scores](#), you can find great cash-back and rewards cards that don't charge annual fees. Some of these cards will even come with bonus categories, helping you earn higher rewards when you spend money on certain expenses, such as groceries, gas, or dining out.

If you're trying to build or repair your credit score, a no-fee [secured credit card](#) might be right for you. With these cards, you'll pay an upfront security deposit, which acts as collateral for your credit card. If

you miss a payment, your credit card issuer will use the deposit to cover the unpaid charges. Typically, if you make payments on time, you'll improve your credit score, and your credit issuer may eventually give you the security deposit back.

Another great card with no-fees is a [balance-transfer credit card](#). These cards come in handy when you need to transfer a balance from a card with a high interest rate to a card with a low promotional APR. As long as you can pay off your credit card balance within the promotional period, you could save a lot of money in interest.

Can you get a no-fee card with bad credit?

Yes, quite a few no-fee credit cards are designed for people with bad or poor credit, though your options will be limited. Your best bet is to look for a no-fee secured credit card. Though you'll have to put down an initial deposit, you won't always pay an annual maintenance fee to use the card. On this page we only list no-fee cards for people with fair or better credit, however, you can find cards suitable for poor credit or no credit — including cards with no annual fee — on our page for the [top secured credit cards](#).

How can you choose a no-fee credit card?

Because of the sheer quantity of no-fee credit cards out there, you'll probably want to spend some time probing the market in order to find one that's right for you. As you're looking through the top no-fee credit cards, here are some things you might want to look for.

No fees

This may seem like a “duh” moment, but it's worth emphasizing — if you want a card with no fees, you should make sure it has, well, no fees.

That doesn't just mean no *annual* fees, either. In addition, you should check to see if your card has foreign transaction fees, administrative fees, authorized user fees, [cash-advance](#) fees, balance-transfer fees, and over-the-limit fees. While no credit card will be absolutely free of all fees, you should at least know what your card charges for certain transactions.

Reasonable interest rate

Every credit card will come with an [APR, which is what you'll pay in interest](#) if you carry a balance on your card. Most cards with no-fee have APRs in the 20-30% range, though depending on your financial situation, you may be able to secure a card with a lower rate than that.

If you think you might carry a balance in the future, look for a card with an APR in the lower end of the spectrum. You don't want to take out a card with no fee if you end up spending a lot more on interest charges.

Welcome bonuses

You don't have to pay an annual fee to get a hefty welcome bonus. These days, most cash-back and rewards credit cards will give you bonus rewards if you spend a certain amount of money within a given period of time.

Rewards or cash back

Many no-fee cards will allow you to earn money while you spend, either in the form of credit card points or cash back. Now, just because you're earning money on a card with no fees doesn't mean you should choose just any rewards or [cash-back card](#). A better approach would be to choose the card that best rewards your spending habits. For instance, if you spend the most on groceries, look for a card with a higher earn rate for grocery expenses.

Perks and benefits

Finally, pay attention to the free insurance that's built into the card. Most no-fee cards will come with various levels of travel insurance, mobile phone protection, extended warranties on purchases, price protection, and even rental car loss and collision coverage. If you can't choose between two or more cards, compare the insurance packages to see which is the better deal.

What are the drawbacks to a card with no fee?

The biggest disadvantage of a no-fee credit card is their limited perks and rewards. No-fee credit cards often lack the luxuries and comprehensive insurance policies of their annual fee counterparts. And while they can come with welcome bonuses and rewards points, they often earn far less than cards with fees.

For Canadians who don't plan to charge a lot of money to their cards, this won't pose a problem. But for those that anticipate putting most of their expenses on a card, a no-fee card could translate into a missed opportunity to earn more.

Is an annual fee ever worth it?

Getting a card with no fee may seem like the most economical choice. After all, [why would you pay a fee to use a credit card](#) when there are so many great no-fee cards out there?

The truth is, cards with annual fees aren't a complete waste of money — for *some*. In fact, for Canadians who plan to use their credit cards a lot, a card with an annual fee could be the better choice. Often, these cards come with bigger rewards programs and more earning potential. If you spend a lot of money on a credit card with annual fees, you could easily earn more than the card costs.

Cards with annual fees frequently offer heftier welcome bonuses, too. If that's the case, the welcome bonus can easily pay the card's annual fee, at least for the first year or two. And if the card waives the annual fee for the first year, well, you could *really* earn a massive amount of rewards.

Alternatively, you may have such a low credit score, you have no choice but to choose a secured credit card with an annual fee. In this case, if the card is helping you build a credit score, the fee is probably worth it.

Who should use a no-fee credit card?

A no-fee credit card is ideal if you're a low spender (or you don't plan to use your credit card frequently), and you don't think you'll earn enough rewards to offset paying a credit card's annual fee. It really makes no sense to take out a credit card with an annual fee, unless you spend enough to justify the price, or your credit score limits your choices.

A no-fee credit card is also a great starter card. If you're a student, or you've never had a credit card before, a no-fee card can help you understand how credit cards work, as well as give you an idea of how much you could spend within a year.

With a no-fee card as your starter card, you also have no reason to close your account, which could help you with your credit score. Since credit history makes up 15% of your credit score, the longer you keep your oldest account open, the better this portion of your score will be.

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