

Understanding payment cards

Infographic

There are various cards that allow you to access money and pay for goods or services. Discover the features of these cards and where you can use them here.



Debit cards



Credit cards



Store cards



Digital Wallets



Pre-payment bank cards



Smart cards



Gift and voucher cards



Debit cards

Use

To withdraw money from your account or pay for goods and services.

Where

At cash withdrawal machines (ATMs), in shops, or for online shopping.

Who

These can be used if you're at least 11 years old.

Features

- Allow you to withdraw money from your bank account
- Some shops allow you to get cashback. This means you can withdraw cash at the same time as buying items (you can only spend as much as you have in your account)

- Allow you to withdraw currency from an ATM when you are abroad
- From the age of 18 you can apply for an overdraft, which allows you to withdraw money even if you don't have enough in your account. Banks will check your credit history first and you may be charged interest or get bank charges if you go over the agreed limit
- Some debit cards are contactless, so you can pay for goods up to £30 by touching the card on a card reader

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Credit cards

Use

To pay for goods or services even if there's not enough money in your account.

Where

Shops, online or ATMs (you can withdraw cash).

Who

You have to be at least 18 years old to apply for this type of card and must pass credit scoring.

Features

- You can spend money that you don't have, but you'll pay interest if you don't pay it all back within an agreed time
- If you withdraw cash you'll be charged interest and a handling fee
- Interest rates can be high, so manage your credit card use carefully
- Allow you to withdraw currency from an ATM when you are abroad
- Late or missed payments can affect your credit rating



Store cards

Use

To pay for goods or services in a specific shop.

Where

In shops or online.

Who

People aged 18 or above who pass credit scoring when applying

Features

- You can spend money that you don't have, but you'll pay interest if you don't pay it all back within an agreed time
- Often high interest rates, so use store cards carefully
- Operated by finance companies on behalf of the store
- Late or missed payments can affect your credit rating

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Digital Wallets

Use

To pay for goods and services using your phone instead of cash or cards.

Where

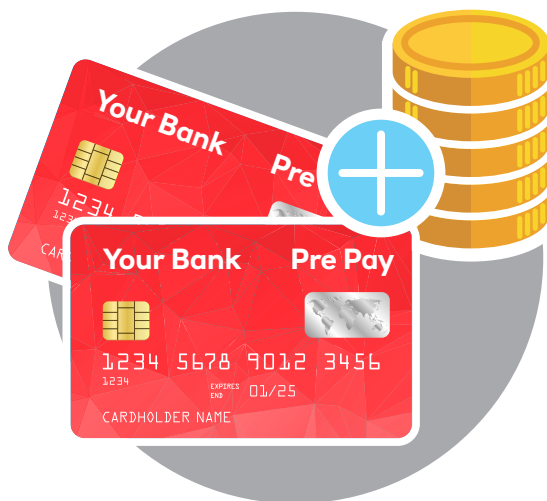
Online and in store everywhere that accepts contactless payments.

Who

Need to be at 13 years old for Apple Pay and 16 years for Google Pay.™ Most digital wallets need parental consent for people under 18 years old.

Features

- They are linked to your debit (and credit cards).
- For debit cards the money is immediately taken from your bank account.
- There is no upper spending limit (subject to merchant rules).
- Easy payments as no need to fill in details or remember passwords.
- Safer payments as use authentication and data encryption to protect personal information.



Pre-payment bank cards

Use

To pre-load money onto a card to pay for goods or services.

Where

ATMs, shops or online.

Who

People aged 18 or above, but some cards are available for younger people (not offered by all banks).

Features

- You put the money 'on' to the card in advance, it cannot be used otherwise
- You don't always need a bank account
- There's generally a charge to apply for or use this service
- Foreign currency cards can be used instead of taking cash or travellers' cheques abroad

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Smart cards

Use

To pre-load money onto a card to pay for certain goods or services.

Where

In specific places e.g. for transport, food in school canteens, at PayPoints or for mobile phone top-ups.

Who

Depends on the use e.g. a mobile phone 'top-up' card needed for pay-as-you-go phones.

Features

- You put the money 'on' to the card in advance, it cannot be used otherwise
- Re-charged at designated places only, sometimes online
- No need for a bank account
- Various services use these cards, e.g. mobile phones, transport, gas, electricity and even some schools and universities



Gift and voucher cards

Use

A card pre-loaded with a set monetary value, used instead of cash.

Where

In shops or online, but with specified retailers only.

Who

For use by anyone.

Features

- Sometimes pre-loaded with an amount or sold as a set amount
- Some gift or voucher cards can be reloaded, but not all
- No bank account necessary
- Allows people to choose what they buy
- Sometimes have a scratch panel with a voucher number
- May have an expiry date
- If a company closes before you use them, you won't get your money back.