

Make Overpayments To Lower Cost Of Credit Card Debt



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Financial solutions company Think Money has welcomed a report from Moneysupermarket.com advising that credit card borrowers could significantly reduce their overall repayment term and the amount they pay by making more than the minimum payment.

thinkdebtadvice

IVA - Individual Voluntary Arrangements

- ▶ Write off the debt you can't afford to repay
- ▶ Freeze all interest and charges on your debts
- ▶ Prevent or stop legal action - including bankruptcy

Get debt help today: **0800 195 2911**

Financial solutions company Think Money has welcomed a report from Moneysupermarket.com advising that credit card borrowers could significantly reduce their overall repayment term and the amount they pay by making more than the minimum payment.

Moneysupermarket claimed that the difference between the average interest earned on savings and the interest payable on an average credit card debt (currently £1,989) is £308 a year - meaning it may make good financial sense to use savings to pay off debt.

The price comparison site said with this level of credit card debt, making just the minimum payment could mean the balance takes 22 years and 10 months to pay off. By contrast, paying just £20 more each month would

reduce this by 17 years, and would reduce the overall interest paid by a third.

A Think Money debt expert said:

"Making any payments above the minimum, even below Moneysupermarket's suggested increase, can help the borrower to clear their balance more quickly and reduce the amount of interest they pay.

"Making only the minimum payment may be a tempting option for some people, as it frees up cash in the short term - but it is likely to cost the borrower much more in the long run. As such, we advise people with credit card balances to try and budget for higher repayments where possible.

"But of course, this is not an option for everyone. Some people may find they've got to the point where they simply can't afford even the minimum repayments - and anyone in that situation should speak with a debt adviser about debt solutions that could help.

"Even if the borrower can't see any way of repaying their debts in full, there is help available - in the form of an IVA [Individual Voluntary Arrangement] or bankruptcy, for example."

-ENDS-

Notes to Editors

One of the UK's leading financial solutions providers, Think Money is based in Salford Quays, Manchester, and employs around 800 employees to deliver a comprehensive range of debt solutions, including IVAs, as well as a range of other financial products.

Think Money defines its mission as 'To educate, rehabilitate and advise on all aspects of financial management'.

For more information, contact Melanie.Taylor@thinkmoney.com (0845 056 6480) or visit the Think Money website at <http://www.thinkmoney.com/>.

Think Money IVA webpage: <http://www.thinkmoney.com/debt/IVA/>

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