

how do i pay my bills?

Most banks/subsidiary credit card companies have arranged for convenient ways for you to pay your bills. You may pay your bills through any of the following:

- Over the counter - these may be done through various selected bank's branches with established tie-up with the credit card issuer.
- Via automated channels - through bills payment facilities of ATMs
- Via Phone Facility - Upon enrollment with your depository bank, you may pay your bills via phone calls through the use of your individual Telephone Pin or T-Pin.
- On-line Banking Facility - a good number of credit card companies also offer on-line payment options. If you are maintaining a deposit account with your credit card issuing bank, you may log-in to their website and do online payment.
- Automatic Debit Arrangement - You may also arrange for an automatic debit arrangement with the issuer which means that your savings or checking account with a bank will be automatically debited from the outstanding credit card bills, reflected in your Statement of Account/Billing Statement.
- Customer Service Counters in some Department Stores - Some credit card companies have arranged payment facilities with customer service counters of some department stores.

When making your payment, you should be aware of when your payment shall be posted to your account to avoid late payment charges. Please note that some payments are posted to your account only after 2 to 5 days from date of actual payment.

Developed by the Financial Learning Division,
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contact information

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credit card

✓ Frequently Asked Questions

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frequently asked questions

Is it ok to just pay the minimum amount due in my billing statement?

YES, but your credit card can be a very expensive form of credit if you pay just the minimum amount due every billing cycle. Card issuers usually require a minimum payment of 5 percent of the outstanding balance billing cycle such that a Php5,000.00 balance could mean you may opt to pay only Php250.00. However, once you do so, the remaining balance of your outstanding credit card obligation will then be charged a "financing fee". Assuming that said fee is 3.5 percent a month, this translates to a 42.0% annual interest rate. Your overall goal should be to always pay-off your balance to enjoy the full benefits of owning a credit card at minimal cost to you.

YES, but only after full payment of all fees, charges and liabilities outstanding or incurred by the use of the Card, including those not yet reflected in the current Statement of Account/Billing Statement. When you first decided to use your credit card, you have signified your agreement to abide by Terms and Conditions for its use, including the provisions on fees, penalties and finance charges.

I'm having difficulty paying my credit card debt. Can I just terminate my card to avoid further finance charges?

If you are encountering problems managing your debt, we suggest that you take the following steps:

- Contact your creditors immediately and request to work out a payment plan that can help reduce your payment to a manageable level within a specified period.
- If you have debts from various cards, pay off those which charge higher interest rates first.
- Transfer debts with high interest rates to cheaper alternatives.
- Reduce credit card purchases and, as much as possible, avoid cash advances.

My credit card company is charging me with excessive finance charges, fees and penalties? Are there any law or regulation which limits fees, charges and interest rates?

NONE. There is no existing regulation which puts a ceiling on fees, charges and interest rates. Please note, however, that the BSP requires banks and their subsidiary credit card companies to properly disclose these charges to cardholders like you and help you arrive at informed choice or decision in transacting with banks and their credit card issuers.

How can I avoid paying excessive finance charges and penalties?

The key for you to avoid excessive finance charges, fees and penalties is to become a responsible cardholder by paying your bills on time to avoid late payment fees and penalties and as much as possible, try to pay-off all outstanding dues every billing cycle. Spending only within your means is of course the surest way to avoid finance charges and continue to enjoy the use of your credit card.

Can a cardholder's bank deposits be used to "offset" unpaid amounts on his credit card?

YES. BSP Circular No. 398 dated 21 August 2003, on **Offsets** provides that, for purposes of transparency and adequate disclosure, the credit card issuer shall inform/notify the credit cardholder in the agreement, contract or any equivalent document governing the issuance or use of the credit card that, pursuant to provisions of Articles 1278 to 1290 of the New Civil Code of the Philippines, as amended, the use of his credit card will subject his deposit/s with the bank to offset against any amount/s due and payable on his credit card which have not been paid in accordance with the terms of the agreement/contract.

Will I go to jail for not paying my credit card debt?

NO. Article III (Bill of Rights), Section 20 of the 1987 Constitution of the Republic of the Philippines provides that "no person shall be imprisoned for debt or non-payment of a poll tax". However, the creditor may, depending on the circumstances, avail of other remedies against the debtor such as filing of a civil case for collection of sum of money.

Can credit card companies unilaterally suspend or terminate my credit card?

YES. BSP Circular No. 398 on **suspension, termination of effectivity and reactivation** authorizes banks or their subsidiary credit card companies to revoke, suspend or terminate the effectivity of the card, if circumstances warrant. Criteria or parameters for suspension, revocation and reactivation of the right to use the card and the authority of the issuer to suspend or terminate the card's effectivity should be included in their contract with cardholders.

What is the procedure required for credit card companies in handling written complaints filed by credit cardholder?

BSP Circular No. 398 on **Handling of Complaints** provides for the procedures required of banks in handling written complaints filed by credit cardholders. Banks or their subsidiary credit card companies shall give cardholders at least twenty (20) calendar days from statement date to examine charges posted in his/her statement of account and inform the bank/subsidiary credit card companies in writing of any billing error or discrepancy. Within ten (10) calendar days from receipt of such written notice, the bank/subsidiary credit card company shall send a written acknowledgement to the cardholder unless the action required is taken within such ten-day period.

Not later than two (2) billing cycles or two months which is in no case shall exceed ninety (90) days after receipt of the notice and prior to taking any action to collect the contested amount, or any part thereof, banks/subsidiary credit card companies shall make appropriate corrections in their records and/or send a written explanation or clarification to the

cardholder after conducting an investigation. Nothing in the regulations shall be construed to prohibit any action by the bank/subsidiary credit card company to collect any amount which has not been indicated by the cardholder to contain a billing error or apply against the credit limit of the cardholder the amount indicated to be in error.

What should I do if I am being harassed by credit card collecting agents?

You may directly file a complaint with the credit card issuer if you are a victim of collection harassment practices. The BSP, through Circular No. 454 dated 24 September 2004, protects consumers from unfair collection practices. It provides that subsidiary/affiliate credit card companies, collection agencies, counsels and other agents may resort to all reasonable and legally permissible means to collect amounts due them under the credit card agreement provided that in the exercise of their rights and performance of duties, they must observe good faith and reasonable conduct and refrain from engaging in unscrupulous or untoward acts.

If you find the bank's reply/action unsatisfactory, you may also file a formal complaint with the Financial Consumer Affairs Group (FCAG) - contact details found at the reverse side, Supervision and Examination Sector, Bangko Sentral ng Pilipinas. FCAG will assist you by bringing your concerns to the attention of the bank/subsidiary credit card company.

Report a lost or stolen credit card to the card issuer as quickly as possible. Many companies have toll-free numbers and 24-hour service to deal with such emergencies. Take note of the reference number and date when you first reported the card loss or theft. If you report the loss before your credit card is used, the issuer cannot hold you responsible for any unauthorized charges.

What should I do if my credit card is lost or stolen?

Am I liable if I don't inform my credit card company of a change in my billing address?

YES. Under Section 14 of R.A. No. 8484 known as the Access Devices Regulation Act dated 11 February 1998, a cardholder who abandons or surreptitiously leaves the place of employment, business or residence stated in his application or credit card, without informing the credit card company of the place where he could actually be found, if at the time of such abandonment or surreptitious leaving, the outstanding and unpaid balance is past due for at least ninety (90) days and is more than Ten thousand pesos (Php10,000.00), shall be prima facie presumed to have used his credit card with intent to defraud.