



# What happens when you can't pay your credit card?

If you can't pay your credit card or you have used the maximum credit limit on your card, you will incur further interest and charges.

If you have been unable to keep up minimum payments you will be incurring extra interest and charges even though you are not using the card.

**It is very important to talk to your bank or financial institution. Getting another credit card will not fix the problem.**

## Tips

- Stop using the credit card.
- Check that the transactions on the credit card are correct.
- Stop any direct debits going through your credit card.
- Do not take any further cash advances from your credit card.
- Ring your financial institution/bank and let them know you are having problems paying and that you are experiencing 'financial hardship'.
- Work out what you think you can afford then ask the bank/financial institution if you can make an affordable payment plan.
- When you speak to someone from the bank/financial institution, write down all details including the date and time of the call and the name of the person you spoke with.
- Let your bank/financial institution know that you have contacted a financial counselling service and are waiting for an appointment to work out a long-term plan.

## If the creditor refuses to negotiate

- Make your request in writing and ask for a written reply.
- Keep a copy of any letter.
- Talk to a financial counsellor about your situation. Let your creditors know you are on the waiting list for an appointment with a financial counsellor and ask them to wait.

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