

How to Stop Credit Card Company Abuse

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Sample of Content:

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Consumer complaints about credit card abuse continues to increase despite clearly defined federal regulations meant to stop abuse. By knowing and understanding your rights, you can stop abuse. Let's examine four common methods of credit card company abuse and what you can do to stop the victimizing.

1. My creditor is charging me for items I did not purchase. Examine your bill every month to make sure that what you are being charged is what you ordered. If there is something listed that does not belong to you, notify the credit card company in writing about the disputed item. Federal law requires you do this within sixty days of receiving your bill. You must do this in writing as your rights will not be protected if you call in your complaint. Credit card companies have two billing cycles or 90 days to correct the problem.

2. My creditor regularly charges me late fees. You know that you always mail your credit payments in on time, but you just got hit with a late fee. If you are a customer in good standing, write a complaint to the credit card company and tell them you want the charge reversed. If this was a one time occurrence, your creditor will likely reverse the charge promptly. If you regularly get hit with late fees, make sure your payment is always mailed in well in advance of the date that it is due. Shady credit card companies will move up the day that your payment is due without your being aware of it. Always open your bill immediately and plan on making payments as soon as possible.

3. I was late with a mortgage payment and now my credit card company is raising their rates. Yes, as unbelievable as it sounds, some credit card companies have a provision in their contract that lists a Universal default charge. What this means is this: if you are late paying back a separate creditor, your credit card company can raise their rates. In other words, you have now become less creditworthy in their eyes and your rate has doubled or tripled! The only way to combat this problem is to pay off your credit cards in full every month.

4. I am paying for credit insurance. What is that for? Supposedly, credit insurance helps out in the event you are disabled or lose your job. If you signed up for this plan a fee equivalent to your outstanding balance is charged every month. At 1% the amount of insurance you can be charged for \$5000 debt is \$50 for one month. Oh, by the way, read the fine print to learn how difficult it is to actually collect this insurance!

To overcome abuse, you must take charge of the situation and respond in the proper manner. Good credit card companies correct their errors while abusers continue this practice. In the end, it may be time for you to sever your relationship with them.

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Frank Liz is the founder and president of <http://www.AmericanNoDebt.com>. His goal is to help people preserve and control what they have and what they make in the future, but of course it is his nature since he was born in poverty to teach people to make money. "Learn the secrets that most people will never know about getting out of debt fast and building your life savings." Click [here](#) to learn how easy it is.

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