

Managing Money

Smart Cards



...the coolest way to pay

Smart cards are great for making small purchases instead of using cash. They look pretty much the same as your credit card or keycard. But instead of a magnetic strip, a smart card contains a computer chip which allows it to load, store and process information.

There are many types of smart card. All of them store a cash value like an 'electronic wallet'. But some let you top up the cash value by inserting the card in an ATM, or a reader located at point-of-sale terminals, or a portable reader connected to your home computer.

Often no online authorisation is required to use the card and, even where you need to type in a PIN, paying for your shopping should be as fast as using cash. Yay!

Now, before you rush out and grab one, here are a few DOs and DON'Ts:

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DO – ask what terms and conditions apply and if there are any nasty fees or charges. Also check out the refund policy just in case you decide not to use the card in the future.

DO – check how information which is stored on the card – such as your personal details and records of purchase – will be used by retailers and other institutions. Hands up who likes piles of junk-mail!?

DO – be aware that money stored on a smart card probably won't earn you interest.

DO – check out the policy on what happens if your card expires and you still have money on it.

DON'T – forget that just because it's only plastic doesn't mean you shouldn't care if it is stolen. Treat it like you would anything else you value.

DON'T – forget that not all stores accept smart cards. Unfortunately, some are still living in the past.