Paying bills with a credit card makes sense when...

You want certain bills paid automatically

One of the biggest benefits of credit is that you can set certain bills on auto-pay to avoid missing a due date. Cell phone, internet, and cable bills can generally be paid with a credit card, and some other recurring expenses like car insurance may be good candidates to "set and forget." Once your credit card bill arrives in the mail, you can pay all of your bills at the same time.

You want to earn more rewards

Better yet, if you use a rewards credit card to pay those monthly bills, you'll be able to earn a lot more cashback, airline miles or hotel points for stuff you were going to pay for anyway. **As long as you pay your balance in full every month**, the extra rewards you earn on those regular bills can be a boon to your finances.

You want the consumer protections that come with using a credit card

Many credit cards offer additional perks you may not know about. These perks include purchase protection, zero-fraud liability, guaranteed returns and auto rental coverage. By using your credit card for regular bills and purchases, you'll enjoy an added layer of security for every purchase you make.

You want an easy way to track your spending

Because credit cards often lead people into debt, they get a bad rap. However, credit cards can actually serve as a great budgeting tool if you go about it the right way. Since each bill you pay and purchase you make is easily tracked using your card's online account management tools, you can use a credit card to stick to your budget or spending plan and keep yourself on track.

You hate writing checks

Finally, if you want to simplify your life and don't want to deal with mailing checks or paying for stamps, paying bills with a credit card can make things easier. Log on to the website of whatever bill you're looking to pay, fill out the information online, and you're done. As an added bonus, the payment might post right away, as opposed to a few days later if you had mailed a check.

Of course, using credit cards for regular bills isn't risk- or fee-free. Along with the greater likelihood of falling into debt that always comes with using credit, there are fees to watch out for as well. Here are a few instances where it may not make sense to use credit for regular bills.

Low Fixed Rate Credit Card application click here.

Paying bills with a credit card <u>does not</u> make sense when...

You have to pay a fee to pay a bill with credit

While some companies will let you pay bills with a credit card free of any additional fees, others charge a convenience fee to cover the merchant fees they're charged by credit card companies. For example, to pay your electric or gas bill, you may need to pay an extra 2% to 3% to use a credit card; many colleges and municipalities also charge such fees for credit card payments. And if you use a service like <u>Plastiq</u> to pay your rent, you usually have to pay a 2.85% convenience fee. In all of those cases, any credit card rewards you'd earn are likely not worth it, and you'd save money by writing a check instead.

You're already struggling with debt

If you're in debt already or struggling to avoid debt, charging regular bills to your credit card could make things worse. While a credit card can help you temporarily in lean times, you should never rely on credit as an ongoing crutch. If you're in debt, you'll be better off stashing your credit cards away for safekeeping and paying from your bank account.

What you really need is a short-term loan

If you're absolutely strapped for cash and can't afford to pay your regular bills, that's an entirely different story. In that case, a credit card might work, but you'll want to choose the right one. Fortunately, many 0% interest credit cards let you pay 0% APR for anywhere from 12 to 21 months. If you use that introductory period wisely and pay off your balance as aggressively as you can, this can be a huge help.

Need a card to start or repair credit... Application click here.