

Benefits of Payment Cards to Consumers

For 40 years, MasterCard has been advancing the way consumers and businesses around the world shop, dine, travel and manage their money, enabling transactions that drive global commerce and improve peoples' lives. Today, payment cards offer more security, convenience, flexibility and control than any other payment method. And as payment cards continue to evolve, MasterCard is offering consumers and businesses more choices and even greater benefits.

Consumers can choose from three basic types of payment cards – with many consumers choosing to use all three:

- Credit cards enable consumers to make purchases and pay for them at a later date by accessing a line of credit. Credit cards are alternatives to cash or checks and often used for routine purchases at the point of sale (POS), on the Internet, or via telephone or mail order. They can be particularly useful for large or unexpected expenses.
- Debit cards enable consumers to make purchases and pay for them immediately by accessing the funds in their bank accounts, also called demand deposit accounts (DDAs). Debit cards can be used to make purchases at POS, on the Internet, or via telephone or mail order, or they can be used to withdraw cash at automated teller machines (ATMs). Many consumers use debit as an alternative to cash or checks for their everyday purchases.
- Prepaid cards, also called stored-value cards, can be “loaded” with a specific dollar amount and used to make purchases up to the amount “stored” on the card. Some can even be used to pay bills or withdraw cash at ATMs. The growing variety of prepaid options includes:
 - Store-specific gift cards
 - Gift cards branded like credit and debit cards and usable wherever such cards are accepted
 - Payroll cards, with which some employers pay “unbanked” employees (those who do not have a traditional bank account with a financial institution)
 - Electronic benefits transfer (EBT) cards that provide access to food stamps and similar programs
 - Flexible spending account (FSA) cards that give employees easier access to funds for medical bills, mass transit and other FSA-eligible purchases

Convenience

- Consumers can use payment cards to access their bank accounts or credit lines any time of the day or night, from just about anywhere in the world.
- Payment cards are the fastest, simplest and safest way to make purchases, whether at the point of sale, on the Internet, or by mail or telephone.
- Automatic bill payments save time and hassle by replacing checks for utilities, fitness clubs, subscriptions and others.

Flexibility

- The broad variety of cards available today means consumers have greater choice over how and when they pay for goods and services.
- Payment cards are accepted nearly everywhere in the world, providing consumers with secure and convenient access to their funds and their credit lines whenever and wherever they choose.

Control

- Payment cards make it easy to track and manage expenses by offering instant online access to information about recent transactions, as well as detailed monthly statements. Many cards also provide consumers with annual statements that categorize all the previous year's expenses.
- By offering access to a line of credit, credit cards make it possible for consumers to meet emergency or other extraordinary expenses and to pay for them on a timetable that suits their needs and budgets.
- Credit cards also help consumers build and maintain a credit record that can help them get jobs, rent homes, or qualify for mortgages or vehicle loans.

Security

- Payment cards are safer than carrying cash or using checks. If a credit or debit card is lost or stolen, it can be replaced quickly and easily, and federal law limits consumers' liability for the fraudulent use of their cards to \$50 in most cases. In addition, the MasterCard Zero Liability policy protects cardholders – credit, debit and prepaid – from any liability for fraudulent charges made with their MasterCard payment cards.
- An increasing number of prepaid cards can be registered so that they, too, can be replaced if lost or stolen, a particular advantage for consumers traveling abroad.
- Moreover, payment card issuers continually invest in state-of-the-art security technology that can detect and prevent many fraudulent transactions before they occur.
- Using credit, debit or prepaid cards to pay bills – either with automatic bill payment or individual online payments – reduces the likelihood of criminals intercepting mailed statements or payments.

- Payroll cards eliminate the risk that unbanked employees will be robbed after cashing their payroll checks.

Rewards

- Many credit and debit cards offer incentive programs that enable cardholders to earn cash back, airline tickets and other rewards.