

Frequently Asked Questions on Tiered Interest Rate

1) What is Tiered Interest Rate and when did it come into effect?

Effective 1 April 2012 Cardmembers with good payment records for the preceding 12 months will enjoy lower Finance Charge of 15% p.a. to 17% p.a. for retail transactions. Otherwise, the finance charge will remain at 18% p.a.

2) How does the Tiered Interest Rate work?

Our Tiered Interest Rate Structure is designed to reward prompt paying Cardmembers with a lower interest rate. The new Tiered Interest Rate scheme is detailed as per the table below:

No. of months minimum payment received by due date in the past 12 consecutive months	Interest Rate Charged on the Total Outstanding Balance (Per Annum)
All 12 months	15%
10 or 11 months	17%
Less than 10 months	18%

3) How about the Late Payment Charges and Interest Free period?

Late Payment Fees	If the minimum payment is not made by payment due date, a late payment fee will be levied at minimum of RM10 or 1% of total outstanding balance, whichever is higher, capped at a maximum of RM100.
Interest Free Period for Retail Transaction	No interest will be charged for 20 days from statement date if you have paid the full amount for your previous month statement. If partial or minimum payment is made on the previous month statement, interest on your new retail transactions will be calculated from the day the transaction is posted to your card account.

4) For past 12 months, I pay off my credit card outstanding balance on and before the payment due date. How does the Tiered Interest Rate affect me?

As you have been paying promptly every month (either by clearing your balances or just the minimum payment within the payment due date) you will enjoy a finance charge of 15% per annum.

5) I missed 2 months minimum repayment on time. In this case, what will be the finance charges reflected in my next month statement?

If you have missed 1 or 2 payment in the past 12 months, you will only enjoy a finance charge of 17% per annum.

The finance charges of 15% per annum will only apply if you consistently settle your balances or make the minimum payment due on or before the payment due date for the past 12 consecutive months.

The credit card is a payment tool. Using credit card wisely involves choosing a card that best suits your lifestyle, keeping track of how much you spend and how much you pay. It is advisable that you treat your credit card as how you would treat a bank loan of the same amount. As such, you must ensure that you pay your bills promptly every month, to avoid higher finance charges.

6) I have been making all my payments on time except for the last 3 months, what is the finance charge that I have to pay now?

If you did not pay your balances promptly in the last three months. Your finance charge will be 18% per annum.

However, if you consistently pay on time before the payment due date in the next 12 months, this rate will be changed to 15% per annum.

To help you to enjoy the above reduced rate, review and organize your finances as well as keep a budget. A budget is a powerful tool to help you achieve financial goals. It can help you get control of your finances, keep out of financial trouble, become a smarter consumer, and pave the way to a secure future.

7) Will I know what interest tier I am in?

Yes. The interest tier will be indicated in your monthly statement.

8) How do I continue to enjoy the 20 days interest free period?

You need to settle all outstanding balance in your previous month statement.

9) How do I ensure that I will not be levied with late payment charge?

You have to make full or the minimum 5% of the balance outstanding before the due date stated in the statement.

If you are planning to drop the cheque at any of our branches or cheque deposit machine, please do so at least 3 working days before payment due date.

If you are paying by mailing the cheque, do send to at least 1 week before the payment due date using the self addressed envelope provided with your statement.

If you are making cash payment at our cash deposit machine or branch counter or via pbebank.com, you may do so latest by the payment due date.

For further clarification on the tiered interest rate, please contact our Customer Service Officer at 03-2176 8000 or email us at custsvc@publicbank.com.my