



## Invest in your financial well-being

### FINANCIAL LITERACY MONTH



## Applying for credit: Only you should decide what makes a great offer

At some point, most of us have been offered financial products and services we hadn't planned on buying. Perhaps it was in the form of extra insurance on our credit card or on our mortgage, or of a "pre-approved" increase to our credit limit on our card when we called the bank for something else. Maybe you've been approached in store and offered a credit card with reward points, free gifts or special discounts. And with more and more Canadians banking online, marketers are tracking us down on our phones too.

No matter how you receive an offer, you need to make an informed decision. There are rules Canadian banks must follow to ensure you are provided with information that is clear, simple and not misleading. But you are also responsible for making sure you understand what you're agreeing to. If you don't, ask for clarification. If you're still unsure, consider doing more research or asking friends or family for guidance.

Even if it seems like there's little risk involved, you should never feel pressured to make a decision on the spot.

It helps to know the standard terms and conditions when signing up for new bank products and services. **For instance, even though banks must give you notice, they can:**

- close your account at any time
- increase your interest rate at any time
- lower your credit limit at any time
- increase your minimum payment amount at any time
- impose a penalty interest rate if you miss payments
- charge you a fee to close your account



Financial Consumer  
Agency of Canada

Agence de la consommation  
en matière financière du Canada

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And if you have a credit card, it's important to be aware you might be offered add-on products or services such as balance protection insurance. For a monthly fee, this type of insurance covers all or part of your credit card balance if you become ill, lose your job or pass away. But this coverage is not for everyone. For instance, if you're a student working part time, you may not be eligible for benefits in the event of job loss.

Ultimately, banks must get your permission before they can sell or provide you with any kind of financial product or service. Shop around and try to find the best deal that suits your needs. FCAC has online financial selector tools and calculators to help you with your research.

Find more information online at [canada.ca/financial-literacy-month](http://canada.ca/financial-literacy-month).