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PETALING JAYA: The Government should impose tighter regulatory controls on banks and financial institutions to limit the accessibility of credit cards, the Muslim Consumers Association of Malaysia said.

Its project director Noor Nirwandy Mat Noordin said the problem of overspending by credit card owners was acute and action should be taken by the Finance Ministry and Bank Negara to control the issuance of the cards.

He said the problem was compounded by financial institutions not issuing proper information on the terms and conditions such as penalties for late payments, especially to those who were having the cards for the first time.

The public, especially the younger and newly employed workers, are taken in by credit card ownership as a culture rather than a necessity.

More people are easily owning three or more cards each, which contributes to their financial difficulties later on when they settle down to have a family.

We have received reports of couples who divorced because they have lost control of their credit card expenditure.

Noor Nirwandy also said that financial institutions were guilty of unethical practices of offering free credit cards and affordable interest rates to lure consumers to get a second card.

He suggested that the Government organise financial equity management education for credit card owners to prevent them from being tempted to overspend.

Meena Raman of the Consumers Association of Penang said credit cards should not be easily available.

There should be regulations emphasising minimum salary requirements and the number of credit cards a person can own to prevent abuse.

Banks and companies are pushing people to have credit cards. The Government should intervene to prevent their uncontrolled use.

She said credit card debts could lead cardholders to borrow money from loan sharks to make repayments or cause domestic violence.

Federation of Malaysian Consumers Associations secretary-general Mohd Shaani Abdullah said consumers must be prudent in their spending.

Promotions offering 0% interest for six months for credit card holders had also misled consumers and encouraged them to spend more, he said.

Both Mohd Shaani and Meena agreed that the idea of offering debit cards to children as young as 12 was not a healthy trend.