

Best Credit Cards for Bad Credit of September 2021

META: Have a bad credit score and looking for the best credit card to ease your problems? This post is for you!

Have you blown up your credit score due to poor financial decisions you made in the past? Perhaps you maxed out a large chunk of loan to purchase that car you've always wanted, but couldn't pull enough funds to pay back?

Well, that's quite unfortunate because getting a credit card can be difficult. Credit card issuers tend to shy away from people with bad credit scores.

Does that mean all hopes of getting a credit card are lost? Not by a long shot!

The good news is that if you have a bad credit score, you can always opt for certain types of credit cards specially designed for people like you.

Technically speaking, they are known as credit cards for bad credit.

But not all are a good bargain, and so you need to learn how to choose a credit card that's right for you.

That's what this post is about. But first the basics: what causes bad credit?

What can give you a bad credit score?

The short answer is many things. Something as harmless as getting a new card can plummet your scores. Same applies with missing your payments.

Another variable that affects your credit score is the amount of money you owe in relation to the maximum credit you can borrow. For example, if the limit on your card is \$1,000 and you owe \$900, your credit score will definitely take a bad shape.

Also, paying your bills late can make your credit score take a serious hit. So as much as you can, see to it that you make timely payments.

What credit card can you easily get?

Getting approval for your credit card application comes with lots of uncertainties. However, applying for certain types of cards increases your chances of getting one.

Generally, these cards have risks, and so issuers are more likely to approve them. A good example is the secured credit card.

To be issued a secured credit card, you need to put a certain amount of money down with the card issuer. Think of it as collateral that you keep with your card issuer in the case you fail to pay back whatever money you borrow using your card.

Don't worry, you can always get back the money whenever you close your account.

Store credit cards are also easy to get because of the low credit limits on them. And, in most cases, they attract an unusually high-interest rate.

So, if your application for a regular card has been rejected over and over again due to a bad credit score, go for a secured or store credit card.

What can bad credit cost you?

Credit scores are used as a yardstick to measure likely you are to pay back a borrowed loan. The higher your scores are, the more likely, presumably, you are.

For this reason, a low credit score hurts your chances of getting a good credit facility. And even if you do, it can come with high interest.

Bad credit won't only hurt your loan application, but also your chances of getting insurance, a living apartment, cell phone services, etc.

To this end, if your finances are in the red and your credit score is crying for help, start using secured cards today to build up your score.

How to choose a credit card for bad credit

What are the things to keep an eye out for when looking to pick a credit card to repair your damaged credit score? Well, a lot of things, but here are a few:

- Fees: Check to see if the card you have your eyes on has a yearly maintenance fee. Good secured credit cards typically don't, and also do not attract any transaction fees.
- Opportunity for an upgrade: As your credit score gets better with time, you might want to upgrade to an unsecured card to enjoy better credit facilities. Thus, your card issuer should give you this opportunity.
- Automatic reporting: you will want a card that automatically sends your borrowing history to credit bureaus that monitor credit scores. It makes it easier for your credit score to be consolidated.

Steps to applying for a credit card for bad credit

The first step to applying for a secured card is to first know where your credit score falls. Anything below 580 means your application won't see the light of the day.

A card issuer, oftentimes, rewards 660 credit card applications, with an approval.

rewards 660 credit card application

Once you've determined your score, the next step is knowing what card fits you best. We've highlighted some of them already.

After that, apply. When applying, you will be asked for your personal details such as your home address, social security number, email address, etc.

For your application to be successful, you need to fund your collateral deposit. Once funded, your card will be issued right away.

Tips for building up your credit score by using a credit card

Okay, it can be scary when your credit card hits really low. But you can build it back up with your credit card.

How?

By actively using your card, making payments as at when due, never stretching your credit usage to the limit, and avoiding closing your account as much as possible.

When you do all those, you'd be surprised at how fast your score will climb back to a good position.

Avoid these credit cards

As much as you can, avoid any secured card that comes with the promise of zero deposit. Though attractive, those kinds of cards are riddled with high maintenance, processing, and activation fees, and they might hurt your finances.

These cards include Matrix Card, Horizon gold Card, credit one cards, etc.

If nothing else works, try these cards

The Indigo Platinum Mastercard and the Milestone Gold Mastercard should be your last resort options. Their annual fee ranges between \$0 and \$59 and is largely dependent on your creditworthiness.

The 526 credit score credit card might also work.

How to unblock your Standard Bank Card

If you accidentally put in the wrong pin three times on the ATM, your Standard Bank Card will get blocked. This might affect any uncleared transactions standard bank credit cards might have.

To unblock, simply reach out to customer support, and they will fix things up swiftly.

how to unblock your standard bank card