* **Credit cards can take 100 years to pay off an average debt on high rates -** [MoneySaver HQ](https://www.dailytelegraph.com.au/moneysaverhq)

GOT a credit card debt less than $5000? It could take decades to pay off, even if you make standard repayments.

**SOPHIE ELSWORTH moneysaverHQ deputy editor**

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GOT a credit card debt less than $5000? It could take decades to pay off, even if you make standard repayments.

Credit card users with high-rate cards will take more than 100 years to pay off plastic debts of a few thousand dollars if they only make standard repayments.

Analysis by comparison website Mozo found on a card with the Australia average debt of $4400 and a high rate of 23.5 per cent the interest paid would soar into tens of thousands of dollars.

If only the standard repayment of 2 per cent, or $20 per month, was made the cardholder would fork out more than $71,100 in repayments including more than $68,400 in interest repayments.

Mozo director, Kirsty Lamont, said debts on many cards would outlive the holder. Easily.

Debts would simply “go to infinity and beyond”.

Ms Lamont said the very low minimum repayments on credit cards was a real problem and left many Australians in debt-laden situations where they would fall into the trap of making minuscule repayments and never cull their plastic debt.

Ratecity’s chief executive officer Alex Parsons said making minimum credit card repayments was a dangerous move.

“You can end up having credit card debt for as long as a home loan and not end up with a home at the end of it,” said.

[**INFLATED RATES: Time to get drastic about plastic**](http://moneysaverhq.dailytelegraph.com.au/lets-get-drastic-about-credit-card-interest-rates/story-e6frg12c-1226822283559)

The Australian Securities and Investments Commission’s MoneySmart senior executive Robert Drake said there were several ways plastic users could smash down their debt levels.

“Set up a direct debit to pay a fixed amount off your credit card balance each payday,” Mr Drake said.

“If you have more than the one card, pay off the card with the highest interest rate first.

“And pay more than the minimum repayment, even an extra $50 per month will make a big difference,’’ he said.

Mozo analysis shows by repaying $100 a month on that high-rate card the interest paid falls by a staggering 91 per cent to $6025. And instead of not being paid off after 100 years, the debt is cleared in eight years and nine months. By contributing $200 a month the interest paid plunges to just $1432 and after two and a half years the balance is zero.

ASIC’s Mr Drake urged consumers to hunt around for a more competitive deal on their card and aim for one with an interest rate that was 12 per cent or less.

Mozo found that by making that same minimum repayment of $20 per month on a card charging just 8.99 per cent, total repayments would be only $6649, of which $2249 would be interest. It would still take nearly 15 years to pay the card off though.

By paying back $100 a month on a card with a low rate, interest charged falls to a relatively manageable $963 and the debt is paid off in four and a half years.

Reserve Bank of Australia data show consumers owe a massive $49.7 billion on credit cards, of which more than $34 billion is accruing interest. Our collective interest cost in the past 12 months was $6.2 billion.

[**CREDIT CARDS: Join the fight for lower rates**](http://moneysaverhq.com.au/)