

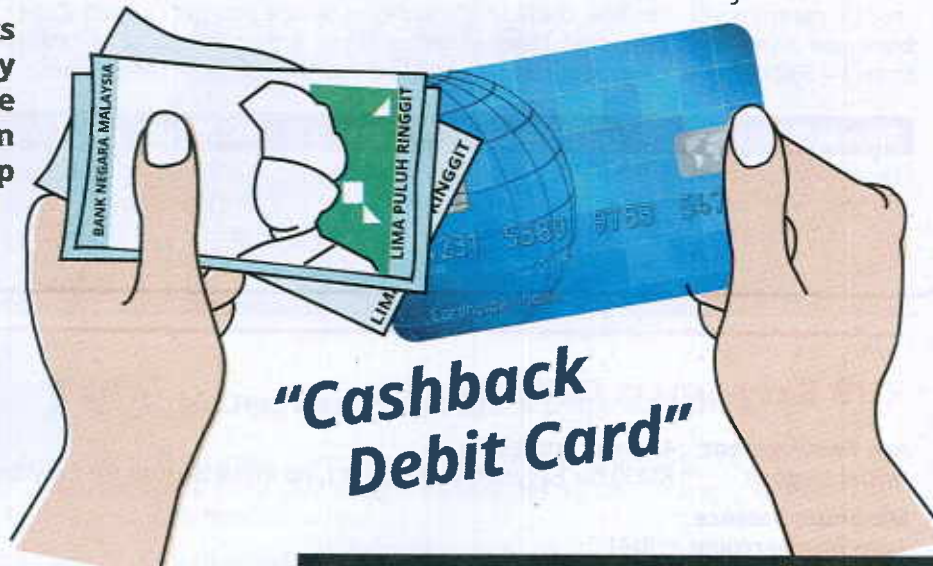
Best Cashback Debit Cards in Malaysia

by Hann Liew

We always hear how people suffer from credit card debt and its consequences. Well, that depends on how you spend and pay off all the outstanding bills each month. If you are not eligible for a credit card or just don't want one, the best way to spend and earn back the money you spend is through cashback debit cards. Grab the top cashback debit cards and save RM100s or even RM1000s extra per year!

What is a Cashback Debit Card?

A cashback debit card is a debit card that gives rebates in cash when you spend. For example, if a cashback card has a cashback rate of 5%, when you pay for something worth RM200 with the card, it gives you a rebate of RM10, meaning the final price you pay is RM190. Whenever you spend, the amount spent will be deducted from your current account linked to the debit card. This requires the spender to keep a certain amount of money in their current accounts in order to use the debit card.



Cashback Debit Cards vs. Cashback Credit Cards

The main difference between cashback debit cards and cashback credit cards is the difference between a debit card and a credit card. Both will give cashback, but with cashback debit cards you don't get any credit from the issuing bank (i.e. for any spending you have to have enough money in your account when you purchase items). On the flip side, debit cards are normally issued along with your current account and require no credit checks on annual income or any additional applications. Furthermore, debit cards don't normally have a big Annual Fee or the Annual Government Service Tax of RM50, while credit cards do. Full summary below:

| Card Type | Credit Card | Debit Card |
|----------------------------|---|--|
| Credit Provided | + Up to 56 days depending on card | - No Credit, full cash required on purchase |
| Privileges | + Usually Travel Insurance / Purchase Protection included | - No Travel Insurance / Purchase Protection |
| Application / Credit Check | - Required | + Not Required |
| Minimum Income | - Required | + Not Required |
| Annual Fee | - Annual Fee depending on bank | + Normally no Annual Fee (only PMPC charge for ATM facility of RM8 per year) |
| GST | - RM50 per year | + No GST |
| Minimum Age | - 21 years | + 12-18 years |

Is a Debit Card an ATM Card?

Obviously, there is a difference between an ATM card and a debit card. An ATM card only allows you to withdraw cash from your account through an ATM (Automated Teller Machine). A debit card allows you to make financial transactions (mostly purchases) without paying with cash. The payment is made by swiping your debit card in a machine at the shop where you made the purchase. The value of your purchase is automatically deducted from the balance in your bank account.

Nowadays, banks provide ATM debit cards, which can be used for both the purposes mentioned above. Visa and MasterCard (Maestro is an arm of MasterCard) are international service providers for transactions made with ATM, debit, or credit cards. Banks issuing such cards usually tie up with one of these providers and their logo is printed on the cards.

An international debit card allows you to settle payments on purchases outside your country using the card. The countries where a particular international debit card is acceptable is made known to the card holder by the issuing bank.