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5 Summertime Credit Card Blunders and How to Avoid Them

It's OK to kick back and relax, but don't let that leisurely attitude extend to your wallet.



Maxing out your credit card to pay for a summer trip can do some damage to your credit score.

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The weather is warm, the kids are home from school and the grill is fired up – it's official, summer is here!

This is the perfect time of year to kick back and relax, but don't let that leisurely attitude extend to your wallet. Summer is the time to be especially careful with your finances because opportunities to make mistakes are everywhere.

So which money gaffes should you be on the lookout for this season? Avoiding these five summertime credit card blunders is a good place to start:

1. Maxing out your credit card to pay for a vacation.

Your friends and co-workers have been talking about their summer getaways for months, so it's understandable that you would want to join in on the fun. But if you're maxing out a credit card to pay for your trip, you're probably doing serious [damage to your credit score](#).

Thirty percent of your credit score is determined by your [credit utilization ratio](#), which is the percentage of credit you're using compared with the amount you have available. Generally, the credit bureaus start docking points from your credit score when you start using 30 percent or more of your available credit.

For this reason, maxing out a card for a summer holiday might not be worth it in the end.

2. Opening too many cards at once to finance a home renovation.

Summer is a great time to work on a home improvement project. Just be sure you're not [opening too many retail credit cards](#) to get the job done.

New credit inquiries lower credit scores; every time you apply for new credit, you'll lose a few points. If you apply for several cards in a short period of time, the hit will be even bigger. The credit bureaus view opening too much new plastic at once as a sign you may be in financial trouble.

It's wise to apply for new credit sparingly, no matter how good the deal is at the home improvement store.

3. Getting caught up in summer fun and forgetting to pay a bill.

It's easy to let your worries fade like a summer sunset when you're having a good time. Unfortunately, this is how a lot of people end up forgetting to pay a credit card bill – and this can have big credit consequences.

A whopping 35 percent of your credit score comes from paying your bills on time. It's extremely important to take steps to make sure you meet your monthly obligations in a timely fashion. Set up automatic bill pay, or use your phone's calendar reminders to alert you when a bill is due. This way, an unpaid credit card balance won't put a wrinkle in your summer fun.

4. Using the wrong card for summer travel.

Hitting the roads, rails or sky is common during the summer months. But a lot of people miss out on the opportunity to earn rewards or save big bucks by using the wrong card for their needs.

For instance, if you're [planning a road trip](#), consider applying for a card that gives extra rewards on gas. Alternatively, a card that waives foreign transaction fees is a good choice if you're traveling abroad.

In short, don't assume that the card you usually use is the best for your summer travels. Look into all your options to be sure you're getting the best deal.

5. Letting the heat make you lax about data security.

Hot weather can cloud your judgment, but staying on top of data security is essential. The United States is the only country where counterfeit card fraud is continually growing, according to a Nilson Report study last year. Consequently, keeping your card's payment information safe should always be a priority.

But what should you do to protect yourself from fraud? Start with these tips:

- Avoid leaving your card out in plain sight – keep it tucked in your wallet whenever possible.
- If you lose your card, report it to your credit card issuer immediately.
- Check your credit card statement for [unauthorized charges](#); if you find one, report it to your card issuer at once.
- Only enter your credit card information on websites with "https" at the beginning of the URL. This indicates that the site is secure.

The takeaway: Don't let summer's carefree atmosphere be the reason you slip into bad credit card behaviors. If you follow these tips above, you'll be swiping smart all the way into fall.

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