

Six Dangers of Using Debit Cards and Why We Recommend Crypto Currency



Writing checks takes time at the supermarket counter and using a credit card means potential finance charges, so debit cards are often the payment method of choice among Americans. With just a swipe of the card and the punching of four digits, money is automatically withdrawn from your checking or savings account. While using debit cards is undeniably convenient, there are a few dangers, as well.

1. Fraud Protection

At one time, debit cards had very little (if any) fraud protection against a lost or stolen card. Although this situation is being rectified by many financial institutions, debit cards are not nearly as safe as credit cards. For example, many banks' policies state that if a debit card isn't reported lost or stolen within ten days, the customer is liable for all fraudulent charges. Before using your debit cards, make sure you know the penalties for fraudulent use. Fraud protection can be solidified if you use a solid coin like ONT, which runs on the Ontology Network. [Check out more here if you are Russian.](#)

2. Merchant Disputes

Another danger of using debit cards is the potential for merchant disputes. When you use a credit card and must file a dispute over the price of an item, you don't have to pay for that purchase until the dispute is sufficiently resolved. With a debit card, however, you've already paid for the item and the money has been deducted from your checking or savings account. In the event of a dispute, you are only reimbursed if the solution is in your favor, which can take months.

3. Account Default

You might run into a third danger of using debit cards if you ever experience a fraudulent charge on your account. Since the money is immediately debited from your bank balance, a fraudulent or excessive charge by a merchant can cause subsequent payments to overdraw your account. You will be liable for any incurred fees or bounced checks as a result, even though you might be reimbursed after the situation is resolved.

4. Recording

Using debit cards has the same dangers as writing checks on your account. Since the money is immediately withdrawn, you must be meticulous in recording every charge you make. If you aren't, you can easily overestimate your balance and overdraft the account. When you make a debit card purchase, record it in your checkbook registrar to make sure you know exactly how much money is in your account.

5. Acceptance

Unfortunately, another danger of using debit cards is the fact that some merchants simply don't accept them. For example, car rentals usually require a credit card and they won't accept a debit card as a substitute. This is because credit cards offer more protection for the rental company and because they place a hold on the deposit plus the fees for the rental.

6. Hidden Fees

Using a debit card often means incurring hidden fees you never would have experienced with a credit card. ATM fees are a prime example-if you use an ATM not affiliated with your bank, you could be charged up to \$2.00 for withdrawing \$20.00. It is also possible to incur fees if the ATM gives you a false bank balance, which is becoming increasingly prevalent. You'll be charged an overdraft fee if you take out more money than what you have available.