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## MONEY

### WA shoppers urged not to splurge

Rebecca Lawson, Business Reporter | PerthNow | December 08, 2010 9:11am | 1 comment | A+ A- Print Email Share

WESTERN Australian shoppers are being urged to shave \$250 off their annual Christmas spend and put it towards their mortgage to realise potential savings of more than \$20,000.

Loan comparison website MyRate.com.au and lender Suncorp Bank today cautioned Western Australians not to splurge this silly season.

MyRate.com.au urged families to ditch their debt cycle and become smarter with their spending to avoid a financial hangover.

"While interest rates remain on hold for the moment, borrowers who feel nervous about future rate rises should definitely be frugal with their spending and savvy with their savings" MyRate managing director Kevin Sherman said.

"Shaving as little as \$250 off your entire splurge over the holiday period and using that saving to top up your mortgage each year could save you more than \$20,000 on a standard \$300,000 loan over 30 year loan term."

Suncorp Bank Regional general manager WA Michael Goynich warned the thrill of grabbing a bargain could be short lived when the debt began to mount.

He said shoppers should think twice about purchases before adding to Australia's \$45 billion credit card debt this festive period.

"Retailers are luring buyers in with silly-season discounts, so it's easy to make an excuse and get swept up in the sales," Mr Goynich said.

"Shoppers need to remember splurging now on credit may result in a debt disaster next year."

Australia has around 16 million credit cards in circulation, each with a balance of over \$3,000.

"The excuses for shopping are as long as Santa's delivery list and can be used to justify almost any purchase," Mr Goynich said.

"We know credit card spending increases by about 9 per cent in December so it's important for buyers to think before they swipe."

Suncorp's Top Silly Season Shopper Excuses:

- “It’s never been this price before”
- “Think about it as cost-per-wear”
- “I need it to keep looking good for you”
- “It’s a credit target, not a credit limit”
- “It’s an investment”
- “I’m buying so many presents for other people, I deserve something too”
- “I can buy two with what I’m saving by buying it on sale”
- “I’ve been looking for something like this for years”
- “A new look for a new season”
- “I’ll get a lot of wear out of it”

MyRate has also developed a festive season calculator to help borrowers work out how much they could be saving over the life of their loan with a little season sensibility.

[To calculate your savings click here](#)