

# Benefits of Credit Cards in the UK: A Financial Tool for 2025

Topper Bazar

July 2025

## 1 Introduction

Credit cards in the UK offer numerous benefits, from building credit for mortgages to earning cashback and protecting purchases. In 2025, with the Bank of England base rate at 4.25%, credit cards like the Santander Edge Credit Card provide financial flexibility for property goals and everyday spending. This document, presented by Topper Bazar, explores the key benefits of credit cards in the UK, their role in property planning, and tips for responsible use. For financial and real estate tools, visit [Topper Bazar](#). 3,4,21

## 2 Key Benefits of Credit Cards in the UK

Credit cards provide a range of advantages when used responsibly:

- **Purchase Protection (Section 75):** Under Section 75 of the Consumer Credit Act, purchases between £100 and £30,000 are protected. If a retailer goes bust or an item is faulty, the card provider is jointly liable, ensuring refunds. Ideal for big-ticket items like home appliances. 12,14,19
- **Cashback and Rewards:** Cards like the Santander Edge offer 2% cashback (up to £15/month in year 1) or rewards like Nectar points, which can offset costs for groceries or travel. 0,4,11,18
- **Interest-Free Periods:** 0% purchase cards (e.g., Barclaycards 24-month offer) allow spreading costs without interest, useful for home improvements. 0% balance transfer cards help clear debt faster. 4,5,23
- **Credit Building:** Responsible use (e.g., paying in full monthly) boosts credit scores, improving mortgage or loan eligibility. Tools like Credit Karma can track progress. 1,14,23
- **Fee-Free Spending Abroad:** Travel cards like the Santander Edge eliminate foreign transaction fees, saving 23% on overseas purchases. 9,14,19

These benefits support financial goals when paired with tools at [Topper Bazar](#). 0

## 3 Property-Related Applications

Credit cards align with UK property goals in 2025:

- **Funding Renovations:** Use a 0% purchase card to finance €5,000 in upgrades (e.g., kitchen fittings), repaying over 24 months interest-free, increasing property value for house flipping. 5,23
- **Deposit Savings:** Cashback from cards like the Santander Edge (€144/year net) can contribute to a Lifetime ISA for a property deposit (e.g., €15,000 for a €250,000 flat). 4
- **Credit Score Improvement:** Timely payments enhance creditworthiness, crucial for securing mortgages under schemes like Shared Ownership. 14,23
- **Secure Transactions:** Section 75 protects large purchases (e.g., €2,000 for furniture), ensuring refunds if suppliers fail, safeguarding property investments. 12,19

Explore house value calculators at [Topper Bazar](#) to plan investments. 0

## 4 Practical Example for UK Property Investors

Consider a couple in Bristol using a credit card for a property purchase:

- **Cashback Savings:** They use the Santander Edge Credit Card for €750/month in purchases, earning €15/month (2%) in year 1, netting €144/year after the €36 fee. This funds a Lifetime ISA deposit contribution. 4
- **0% Purchase Card:** They finance €3,000 in renovations (e.g., flooring) with a 24-month 0% card, repaying €125/month, avoiding interest. 4,5
- **Credit Building:** Paying in full monthly raises their credit score from 620 to 670 in 6 months, per Credit Karma, improving mortgage terms for a €280,000 home. 13
- **Section 75 Protection:** They buy €1,500 in appliances, protected by Section 75, ensuring a refund when the supplier goes bust. 19

This yields a €40,000 profit after selling the renovated property for €340,000, using Retrica Pro for listing photos. Visit [Topper Bazar](#) for similar strategies. 0

## 5 Responsible Use Tips

To maximize credit card benefits in the UK:

- **Pay in Full Monthly:** Clear the balance to avoid high interest (24.960% APR), preserving cashback or reward benefits. Set up a Direct Debit for automation. 6,22
- **Use Eligibility Checkers:** Soft searches (e.g., via Santander or Credit Karma) assess approval odds without harming your credit score. 2,12
- **Avoid Cash Withdrawals:** Fees (3%, min €3) and immediate interest (e.g., 29.9% APR on Santander Edge) make withdrawals costly. 13,14
- **Monitor Spending:** Use online banking or apps to track transactions, ensuring you stay within your credit limit (e.g., €1,200-€5,000). 6,22

## 6 Limitations to Consider

While beneficial, credit cards have drawbacks:

- **High Interest Rates:** Rates of 24.960% apply if balances aren't cleared, outweighing rewards. 5,22,23
- **Fees:** Annual fees (e.g., £36 for Santander Edge) or balance transfer fees (23%) reduce benefits if not offset by rewards. 4,23
- **Debt Risk:** Missing payments or overspending can lower credit scores, impacting mortgage applications. 2,23
- **Limited Acceptance:** Some retailers (e.g., small shops) don't accept Amex, unlike Visa/Mastercard. 11

Use a loan calculator at [Topper Bazar](#) to compare borrowing options. 0

## 7 Comparison with Alternatives

Credit cards compete with other UK payment options:

- **Debit Cards:** Offer chargeback protection but lack Section 75 for purchases over £100. Suitable for small, everyday spending. 13
- **Personal Loans:** Better for large, one-off borrowing (e.g., £10,000 at 5.9% APR) but lack rewards or flexibility. 2,5
- **Prepaid Cards:** No borrowing, ideal for budgeting or travel, but no credit-building or Section 75 protection. 5

## 8 Conclusion

In 2025, the benefits of credit cards in the UK—Section 75 protection, cashback, 0% interest periods, credit building, and fee-free travel spending—make them powerful tools for financial and property goals. Responsible use, like paying in full monthly and using eligibility checkers, maximizes these advantages while avoiding high interest or debt. Cards like the Santander Edge Credit Card support property investors by funding renovations or saving for deposits. For expert advice and tools like the Personal Loans UK Calculator, visit [Topper Bazar](#), your trusted partner in financial and property success. 0,4