

Put the card away

A short book about living on credit and treating the limit
as money you have

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First edition

Written by AI with human guidance. It can
contain mistakes, which later editions correct.

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Before you start

This is a short book and you can read it in two or three sittings. It's about one habit. You open the banking app and the number you look at is the one in green, the available credit, and it says twelve hundred and forty pounds, and that feels like money. The number under it, the balance, says three thousand seven hundred and sixty, and that feels like a fact about the card rather than about you. The minimum goes out each month. You're never at zero. You're not in trouble. You just live a little way up a limit, and have for years, and the limit has become the thing that tells you what you can afford.

I'm going to argue three things. The first is that the habit makes sense from the inside. The card smooths the month, it's there for emergencies, the interest is small each time you look, and everyone you know has a balance. The second is that the limit isn't yours. It's the bank's estimate of what it can lend you at a profit, and the gap between your balance and the limit isn't money you have. It's money you'll owe, with interest, and it's been arranged to feel like the other thing. A card weakens the feeling of paying and hides the total. The minimum on the statement pulls what you pay down toward it, and people who pay it for long enough are described by the regulator as being in persistent debt. And a card at its limit is no emergency fund at all. The third is practical. You put the card away, physically and in the app, you pay a fixed amount above the minimum on payday, dearest card first, and you spend what's in the account. Chapters 19 to 22 cover how.

This book doesn't ask you to cut up the card, to think borrowing is wrong, or to buy any product. It asks you to stop treating a lending decision made about you as a description of what you own.

Two cautions, and I'd ask you to read them.

If you're missing payments, or paying one card with another, or the balance has been rising for a year and you can't see how it stops, or you're lying awake over it, then this is a book about a habit and you may need something faster than a habit book. StepChange, Citizens Advice and National Debtline are free, confidential, and used to exactly this, and the right time to ring is this week. Read on after you've rung.

And if the debt has become a low mood that's been with you most of the day for a fortnight, or nothing has felt good for that long, that's a change in your health as well as your finances. See a GP.

The notes at the back give my sources and their limits. Where I'm giving my own reasoning and not a finding, I'll say so.

Available, twelve hundred and forty pounds

It's the twentieth of the month and you're in a shop with a coat. It's a good coat and it's two hundred and twenty pounds. You open the app. Available, twelve hundred and forty pounds, in green. You buy the coat. The number in green becomes a thousand and twenty. The number under it, in ordinary black, becomes three thousand nine hundred and eighty, and you don't look at that one, because that one is the balance, and the balance is the card's business.

On the twenty-eighth the minimum goes out, a hundred and something, by direct debit, and you don't look at that either, because it happens on its own. Some months you pay a bit more, when there's a bit more. The balance has been between three and four thousand for as long as you can remember. Two years ago there was a second card, in the post, pre-approved, with a limit of two thousand, and it's got twelve hundred on it, and its minimum goes out on the third.

If someone asked, you'd say you're fine. You've never missed a payment. The cards are within their limits. It's just how you run things, and it's how most people you know run things, and the coat was a good coat.

These are invented, but I'd guess yours is close. Some words. **The limit** is what the card company will let you owe. **Available** is the number in green, the limit minus what you owe. **The balance** is what you owe, in black, underneath. **The minimum** is the payment that goes out on its own. **Zero** is a card with nothing owed on it, which you may not have seen for a while. **The gap** is the space

between the balance and the limit, the twelve hundred and forty pounds, which is the thing this book is about, because it feels like money and isn't. **The statement** is the monthly reckoning you get by email and don't open. **Putting it away** and **the freeze** are what chapter 19 does with the card. **The fixed amount** is what chapter 20 pays on payday. **Dearest first** is the order chapter 20 pays in. And **the two lines**, what's owed and what's available, written next to each other, is the exercise below.

Before you go on, do it. For every card you have, write on one sheet what you owe, what the limit is, what the interest rate is, and what the minimum is. Four columns, one row per card. Most people who do this have never seen the owed column added up, and the total is a number they'd have said was someone else's. Keep the sheet. It's the whole book on one page, and chapter 20 needs it.

Why the card seems sensible

Before I argue with the card, I want to be fair to it, because there's nothing foolish in how you've been using it and a great deal of design.

It smooths the month. Money comes in on one day and goes out on thirty, and the card lets the thirty happen before the one. Without it the last week of the month would be thin.

It's for emergencies. The boiler. The car. The thing you can't predict. A card is what stands between you and a bad week becoming a disaster.

The points. The cashback. Using the card for everything and paying it off means a free flight, or a few quid back, and only a fool leaves that on the table.

It's normal. Nearly everyone you know has a balance. A card with nothing on it is the odd one.

The bank gave you the limit. Somebody with a spreadsheet decided you could handle five thousand. They know what they're doing, and they're not going to lend you money you can't afford.

The interest is small. A few pounds a month, on a statement you don't open. It's the cost of the convenience and it's not much.

And you always pay something. Never missed a payment. Never over the limit. That's a responsible person, and a book that suggests otherwise is being unfair.

There are needs under all of this. To get through the month without a thin week. To be covered if something breaks. Not to leave free money on the table. To be a responsible adult with a card like everyone else. Those are real, and the method later in the book meets them without the balance. What I'll show is that the card meets them by lending you the thing you needed at a price you've arranged not to see, that the smoothing has become a level you live at rather than a bridge you cross, and that the responsible person paying the minimum on time is the regulator's picture of someone in trouble.

It's the way you've always done it, too. The card arrived at eighteen or twenty-two with a limit that felt like a compliment, and the habit of running a little way up it was formed before you'd ever seen a statement, and a habit formed then isn't a decision now. It's how money has worked for as long as you've had any.

One thing before I start. If you use a card and clear it in full every month, this book isn't about you. You're using the card the way the design pretends everyone does. The book is about the balance that doesn't go away, and if yours does, keep doing what you're doing and lend this to someone.

"Available means I've got it"

Start with the green number, because it's the belief the whole habit rests on.

Ask what the limit is. It's a number the card company chose. They chose it by estimating, from your income and your record and their models, how much they could lend you and get back with interest over time. It isn't a description of what you own. It isn't a judgement that you can afford five thousand pounds of coats. It's a commercial decision about how much of their money it's profitable to have out with you, and a person paying interest on four thousand pounds is more profitable than one paying interest on nothing. This is my reasoning about how limits work and not a finding from a study, but I don't think anyone who sets limits would dispute it. The limit is theirs. The green number is the part of their money you haven't borrowed yet.

Hersh Shefrin and Richard Thaler, in 1988, set out an account of how people mentally divide money into accounts. Current income, the money that's come in this month. Current assets, the money that's put by. And future income, the money that's still to come. People treat the three differently, and the temptation to spend is greatest for current income and weakest for future income. An earlier book in this series uses this for saving. I'm using it for the gap, because the gap has been filed in the wrong account. Available credit feels like current assets, money you have and could use. It's future income, the money you'll earn next year and hand over, plus interest, and if it were labelled that way, you'd spend it the way people spend future income, which is reluctantly.

A shop's till roll is a fair comparison for two sentences. Every item goes on it and the total's at the bottom, and if the roll were printed with the total at the top and the items hidden, you'd buy differently, and that's the app.

So "available means I've got it" is a mislabelling, and it isn't yours. The card company chose to put the borrowable amount in green and the owed amount in black and underneath, and the choice does what it's meant to. It makes borrowing feel like having. The two lines from chapter 1 are the correction. Written side by side, owed and available, the green number becomes what it is, the room left before you're stopped, and the black number becomes what it is, which is the coat, and the one before it, and the one before that, with interest.

"It doesn't feel like spending"

The coat was two hundred and twenty pounds and it didn't feel like two hundred and twenty pounds. It felt like a tap. That's not carelessness. It's what the card is for.

Drazen Prelec and George Loewenstein, in 1998, described what they called the pain of paying, the small discomfort of handing money over, and how it depends on whether the paying is tied to the getting. Cash is tightly coupled. The note leaves your hand as the coat arrives. A credit card decouples them. The coat arrives now and the paying happens weeks later, as a line in a statement, and the pain that would have attached to the coat attaches to nothing in particular. Priya Raghubir and Joydeep Srivastava, in 2008, found across four studies that people were willing to spend more with a card than with cash, more when a card logo was merely present, and more with tokens than with notes. An earlier book in this series uses both studies for buying when low. I'm using them for the balance, because the balance is what a decade of painless coats adds up to.

The card does one more thing that cash never did, and chapter 3 touched it. It hides the running total. A wallet with cash in it gets thinner and you can feel the thinning. A card doesn't. The coat, the meal, the thing for the house and the train ticket all go through the same tap, and none of them shows up until the statement, and the statement is a list of forty lines that you don't open. You're spending from an account whose balance you never see at the

point of spending, and Raghurir's finding is that people spend more when the money isn't real to them, and nothing is less real than a number in an unopened email.

So "it doesn't feel like spending" is the truest thing you could say about the card, and it's not a defence. It's the mechanism. A payment method that doesn't feel like paying is one that gets used more, by design, and the balance is the design working on you for years.

The fix isn't to feel worse. It's to bring the feeling back where it belongs, at the point of purchase, and chapter 21 does that by living on the account, where the balance falls as you spend and the falling is the feeling the card removed.

"I always pay the minimum, so I'm fine"

This is the belief that lets a responsible person carry four thousand pounds for a decade. You've never missed a payment. The minimum goes out on time every month. That's the definition of fine.

StepChange, the debt charity, describes a rule the regulator brought in. If you've been making only the minimum payment for over eighteen months, you're in what the rules call persistent debt, and your lender will start contacting you about paying more or finding another way to deal with it. StepChange's own words are that this can sound scary but it means the debt is at a stage where it needs dealing with. The regulator looked at people paying the minimum on time, month after month, and gave that pattern a name, and the name wasn't fine.

Why would paying the minimum be a problem, if it's what the card asks for? Because of what the minimum is for. Neil Stewart, in 2009, pointed out that the minimum payment shown on a statement acts as a psychological anchor. People who see it pay less than they otherwise would, because the number pulls their repayment toward it. Daniel Navarro-Martinez and colleagues, in 2011, tested this with experiments on American consumers and field data from British cardholders. Presenting the minimum lowered how much people repaid. Raising the minimum level raised repayments for most people. And disclosing extra information alongside it, how much interest it would cost, how long it would take, did nothing to

remove the effect of showing the minimum in the first place. The number on the page is the number people pay toward, whatever else is printed next to it.

Put that together. The minimum is set at a level that covers the interest and a sliver of the balance, so that the balance lasts. It's printed in the place your eye goes. It anchors what you pay. And a person who follows it faithfully for eighteen months gets a letter from their lender, because the regulator has noticed that faithful minimum payers are the ones who never get out. This is my inference from the research and the rule, not a statement of anyone's intent, but I don't know a better explanation of why the minimum is what it is.

You're not fine. You're reliable, which is different, and the card has been counting on the difference.

"The interest is only a bit a month"

The interest line on the statement is small. Fifty-something pounds. Sixty. It's the price of the convenience and it's less than a night out.

StepChange gives a plain example. Owe a thousand pounds at twenty per cent and you could owe two hundred pounds in interest after a year, depending on the terms. Now do it for your balance. Four thousand at twenty per cent is eight hundred pounds a year. Sixty-something a month, which is the number you see, and which sounds like a night out, becomes eight hundred a year, which sounds like a holiday, and it's the same money looked at over a different stretch. The monthly framing is what makes the interest small, and the statement uses the monthly framing for the same reason it puts the minimum where your eye goes.

Jack Soll and colleagues, in 2012, studied how people understand what they owe. In one study, people underestimated how long it would take to clear a debt when the payments barely covered the interest. In another, less numerate people underestimated the monthly payment needed to clear a debt in three years, and the improved statement that American law required reduced the errors but didn't remove them, and many people still underestimated what they'd need to pay if they went on using the card while paying it down. These were American statements, and ours differ. The direction is the point. People can't see, from the numbers in front of them, how long the balance will last or what it costs, and the errors run toward thinking it's shorter and cheaper than it is.

Take the coat. Two hundred and twenty pounds, on a card at twenty per cent, paid down at the pace the minimum sets. The coat's real price isn't two hundred and twenty. It's two hundred and twenty plus every month's interest on the portion of the balance the coat is, for as long as the coat stays on the balance, and at minimum-payment pace that's years, and the coat has cost you a good deal more than the ticket said, and you'll have bought the next coat before this one's paid for.

"Only a bit a month" is true of the bit and false of the year. Add the interest line up for the last twelve statements, and then ask what you'd have bought with that, and then notice that you didn't get to, because the card had it.

"I'll clear it when the bonus comes"

The balance has an end date in your head. The bonus. The tax refund. The month with five weekends in it. When the lump arrives, the card gets cleared, and the whole thing was a bridge after all.

Look at what happened last time. The bonus came, or some of it, and some went on the card, and the balance dropped to a thousand or so, and there was a green number in the app of four thousand, and six months later the balance was back where it had been. Not because you're weak. Because the gap reopened, and the gap is what gets spent. A card that's been cleared is a card with a large green number, and chapter 3 is about what the green number does.

There's a second thing that happens after a clearing, in my observation, and it's that the limit rises. A customer who's just paid down a balance is a customer the lender would like to lend to again, and the letter arrives, or the app notification, offering a higher limit, and the higher limit is a bigger gap, and the bigger gap is spent at the same pace as the old one. Clearing the card, without changing anything else, is a reset of the habit and not an end to it.

That's because the balance isn't an event. It's a level. You live at three to four thousand not because of any one purchase but because that's where the gap and your spending have settled, and any lump that lowers the level gets absorbed by the gap rising to meet it. The bonus doesn't clear the card. It pays for six months of the card being clearer, and then the level returns.

The way to end a level is to change what sets it, and what sets it is the card being in your wallet and the account being run to the limit. Chapters 19 to 21 are about that. The bonus, when it comes, is a fine thing to put toward the balance, and it'll do what it should only if the card is already away, because a lump paid into an open gap is a lump lent back to you within the year.

"It's for emergencies"

The card is insurance. The boiler, the car, the vet. You keep it for the day something breaks, and the balance is just the ordinary use of a thing that's really there for the extraordinary.

Look at the two lines. When the boiler goes, what's available? Twelve hundred and forty pounds, if you haven't bought the coat. A thousand and twenty if you have. The card that's for emergencies has three thousand nine hundred and eighty pounds of non-emergencies on it already, and the room left for the boiler is the room the non-emergencies left. A card at its limit, or near it, isn't cover. It's the absence of cover, with a green number on it.

Abigail Sussman and Adam Alter, in 2012, showed across seven studies that people predict their ordinary spending fairly well and underestimate their exceptional spending, because each exceptional expense gets treated as a one-off that won't recur, when the category recurs every month. An earlier book in this series uses this for saving. It applies here because the boiler is exactly the kind of expense people don't plan for, and the card is where unplanned expenses go, and a card that's already carrying last year's unplanned expenses has no room for this year's. The emergency fund you think you've got is the gap, and the gap is what you spend on coats.

A card at zero would be cover. Five thousand pounds of room, costing nothing until it's used, for the day the boiler goes, and then paid off fast because there's nothing else on it. That's the emergency card the belief describes, and it's the one you don't

have. What you have is a card that's mostly full of ordinary things, and when the emergency comes it goes on top, and the balance goes to the limit, and the minimum rises, and now there's no room for the next one.

The method's answer is chapter 21's cushion, a few hundred pounds in an account that isn't the card, built from the fixed amount once the dearest card is clear. That's insurance that doesn't charge twenty per cent, and doesn't fill up with coats, and is there when the boiler goes because nothing else has been put on it.

"The points make it worth it"

Some cards give something back. Points, air miles, a percentage in cash. Using the card for everything earns it, and not using it leaves it on the table.

Run the arithmetic. A cashback card might return a fraction of a per cent of what you spend, or a point or two per pound that converts to something similar. A balance at twenty per cent costs twenty per cent a year on whatever's carried. If you spend a thousand pounds in a month and carry it, you've earned perhaps five pounds in rewards and started paying nearly seventeen a month in interest, and the interest runs for as long as the thousand does. The rewards don't offset the interest. They're a rounding error on it.

The rewards are worth having in one case, which is at zero. A person who puts everything on the card and clears the balance in full every month pays no interest and keeps the points, and for them the card is a slightly better way of spending money they already have. That's the design's picture of the customer, and it's the one this book isn't about. For anyone carrying a balance, the points are a small gift attached to a large charge, and they exist because they make the card feel like it's paying you.

There's a version of this belief that's about the credit score. Using the card and paying something keeps the score healthy, and the score matters for the mortgage. That's true up to a point. It's also true that a high balance relative to the limit tends to count against

you, and that a card used and cleared does the score more good than a card run near its limit for a decade. The score isn't a reason to carry a balance. If anything it's a reason not to.

So keep the rewards card, if you have one, for the day you're at zero. Until then, the points are a reason to use the card that the card supplied, and the interest is the price of listening to it.

"Everyone's got a balance"

Look round. Your friends, your colleagues, your sister. Everyone's carrying something. A card with a balance is what an adult's wallet looks like, and a book that treats it as a problem is treating normal life as a problem.

StepChange says around eighteen million people in the UK have credit card debt. So yes, it's common. It's roughly a third of adults, on that figure, and if you're one of them you're not unusual and you shouldn't feel that you are. The book isn't about being unusual. It's about whether the common thing is costing you, and common things do.

Normal isn't the same as free. Eighteen million people carrying a balance is eighteen million people paying interest on coats, and the fact that they're all doing it doesn't lower anyone's rate. It just means that the cost is spread so widely that nobody remarks on it, the way nobody remarks on a tax that everyone pays. An earlier book in this series is about spending to keep up with the people around you, and the card is where a lot of that spending goes, and a table full of people with balances is a table where nobody asks what the evening costs, because the card will get it and the statement's a month away.

There's also a question about which normal you're in. Among the people you know, some carry a balance and some don't, and you can't tell which from the outside, because the ones who clear it monthly don't announce it and the ones who don't, don't either. The colleague who seems to have the same life as you may be at zero,

using the card for the points and paying it off on the twenty-eighth, and the difference between the two of you isn't income. It's whether the card lives in a wallet or a drawer.

So everyone's got a balance in the sense that many people have, and that's true and doesn't help. The question isn't whether you're normal. It's what the normal is costing, and chapter 17 adds it up.

"I pay a bit on each card"

If you've got two cards, or three, you'll have a way of paying them. A bit on each. The bigger balance gets a bit more. It feels fair, and it keeps everything ticking over.

John Gathergood, Neale Mahoney, Neil Stewart and Jörg Weber, in 2019, used linked data on people with more than one credit card to see how they divided their repayments. The money-saving thing to do is to pay the minimum on every card except the one with the highest interest rate, and put everything else on that one, because every pound there saves more interest than a pound anywhere else. Almost nobody did that. Instead, people spread their repayments across their cards in proportion to the balances. A card with sixty per cent of the debt got about sixty per cent of the repayment, whatever its rate. The researchers called it balance matching. It explained more than half the predictable variation in how people paid, it didn't get better when more money was at stake, and people did it consistently over time.

That's you, paying a bit on each. It feels fair because it's proportionate, and proportionate feels like the right thing, and it costs money every month, because the card at twenty-nine per cent is getting the same treatment as the card at eighteen, and the difference is interest you're paying for the sake of a feeling of balance.

The order that saves money is the dearest first. Minimum on every card, and every spare pound to the one with the highest rate, until it's at zero, and then the next. This is chapter 20's method and it's

the single arrangement in this book that saves the most money, and it's the one the balance-matching habit is quietly preventing. You'll need the sheet from chapter 1 to do it, because the order depends on the rate column, and the rate column is the one nobody looks at.

Gathergood's finding is worth holding onto for a second reason. It means the way you've been paying isn't a personal failing. It's what nearly everyone does with several cards, and it's wrong in the same direction for everyone, and the fix is a piece of arithmetic and not a piece of character.

"A second card would spread the cost"

The second card arrived in the post, pre-approved, and it seemed like a solution. More room. A zero-per-cent offer for the first year. Move some of the first card onto it and the interest drops, and the two limits together give you space to breathe.

Two things. The first is that more limit is more gap, and chapter 3 is about what the gap does. A second card with a two-thousand limit is two thousand pounds more of green number, and the green number gets spent, and eighteen months later there are two balances where there was one. This isn't a prediction about you. It's what the level in chapter 7 does with more room.

The second is about balance transfers, which StepChange lists as one option for dealing with card debt, and which can work. Moving a balance from a card at twenty-two per cent to one at zero for eighteen months saves real interest, if two things happen. The transferred balance gets paid down during the zero-rate period, because when it ends the rate on the new card is usually higher than the old one. And the old card, now empty, gets frozen and put away, because an old card with a fresh limit is exactly the reset that chapter 7 warned about. In my observation, the transfer that goes wrong is the one where the old card stays in the wallet, gets used because it's clear, and eighteen months later there are two full cards and the zero rate has expired.

So a second card can spread the cost, in the narrow sense that a transfer can lower the rate on the debt. It spreads the gap too, and the gap is the habit. If you use one, the old card goes in the freeze

the same day, the fixed amount from chapter 20 goes on the new one at a level that clears it before the offer ends, and no new spending goes on either. That's a transfer used as a tool. A transfer used as room is the habit with two logos.

I'm not recommending a transfer or any product. The arithmetic of a particular offer is yours to check, and a debt adviser will check it with you for nothing.

"I'd never manage without it"

Here's the fear that keeps the card in the wallet. The month doesn't work without it. The last week is the card's week. Take it away and the last week has nothing in it.

Ask what the card is smoothing. It's smoothing a month in which spending runs ahead of income by a few hundred pounds, and the card lends the difference, and the difference goes on the balance, and the balance costs interest. That's not a month that works. It's a month that's a few hundred short, with the shortfall borrowed at twenty per cent and rolled forward. The card doesn't make the month work. It hides the fact that it doesn't, and charges for the hiding.

Now imagine the month without the card, and I mean imagine it properly, because the fear is of a picture and the picture is worth looking at. The first month is genuinely tight, because the fixed amount is going to the dearest card and there's no gap to lean on. The last week is thin. You notice the thinness, which you haven't had to for years, and the noticing does something. It shows you which of the spending was the month and which was the gap. Most people who do this, in my observation, find that a fair part of what the card was smoothing was spending they'd not have done from a current account, and that the month without it is thinner but not impossible, and that by the third month it's a month.

An earlier book in this series is about saving on payday, and its arrangement is the one that replaces the card. A cushion, a few hundred pounds in a separate account, built from the fixed amount

once the dearest card is clear, that does what the gap did without the interest. The cushion is what you'd never manage without. The card was standing in for it, at twenty per cent, and the standing in is why there's no cushion.

"I'd never manage without it" is true of the first month and false of the sixth, and the first month is the price of finding that out.

"I know exactly what I owe"

You'd say you're on top of it. You know roughly what's on each card. You know the minimums go out. You're not one of those people who doesn't open the statement.

Do the two lines, if you haven't. For every card, what's owed, the limit, the rate, the minimum, on one sheet. In my observation, people who say they know what they owe are usually within a few hundred pounds on the biggest card and don't know the rate on any of them, and have never added the owed column up. The total is the number that matters, and it's the one number the apps never show you, because each app shows you one card, in green.

Soll's finding from chapter 6 is that people misjudge what they owe in a particular direction. They think it'll be cleared sooner than it will, and that the payment needed to clear it is smaller than it is, especially while they're still using the card. The statement was redesigned in the United States to fix this and only partly did. The knowing you have is the knowing the statement gives you, and the statement is built to make the balance look manageable and the minimum look reasonable, and it does.

There's a related habit, which is not opening the statement at all, and an earlier book in this series is about the unopened letter and what it costs. The card statement is the commonest unopened letter there is. It arrives by email, it's a list of forty lines and a total, and the total is the thing you'd rather not see, so the email sits there, and the not knowing feels like knowing because the minimum went out.

There's a second number people don't know, and it's the rate. Ask most cardholders what interest they pay and they'll say "about twenty per cent" without having looked, and it may be twenty-nine, or thirty-four on a store card, and the difference between twenty and thirty-four on four thousand pounds is several hundred pounds a year. The rate is on the statement, in the part after the forty lines, and it's the column on the sheet that decides the order in chapter 20, and almost nobody has ever read it.

So "I know exactly what I owe" is worth testing with a pen. Write your guess for the total before you do the two lines, and then do them, and compare. The gap between the guess and the total is the size of the not-knowing, and for most people it's larger than they're comfortable with, and it's the reason the sheet from chapter 1 is where the method starts.

"It's not debt, it's a card"

There's a word that's been kept out of this so far, and you've been keeping it out too. Debt. Debt is what other people have. Loans, arrears, the letters in red. You've got a card with a balance on it, which is a different thing.

It isn't. A card balance is unsecured debt at one of the highest interest rates an ordinary person is ever charged. It's a loan from a bank, repayable with interest, and the only differences from the loans you'd call debt are that it has no end date, it can grow as you use it, and it's been given a name that doesn't sound like borrowing. "Balance" is a word for what's in an account. Your card doesn't have a balance in that sense. It has a debt, and the word balance is doing the same work as the green number, which is to make the owing feel like having.

The word matters because words decide what gets dealt with. A person with four thousand pounds of debt at twenty per cent has a problem to solve, and knows it, and solves it. A person with a balance on a card has a card, and cards are normal, and nothing needs solving. Same four thousand pounds. Same twenty per cent. Different word, and the word has kept the problem out of the category of problems for a decade.

StepChange's page on the subject is called credit card debt, and it uses the word throughout, and it describes people who come to them having carried a balance for years without thinking of it as debt until the letter about persistent debt arrived and used the

word for them. You don't need to wait for the letter. The word is available now, and using it is the first thing that changes how you look at the sheet.

Say it once, plainly. I have four thousand pounds of debt. Not as a confession, because there's nothing to confess, and eighteen million people have some. As a description, because it's accurate, and accurate descriptions are what problems get solved from. The card is a card. What's on it is debt, and debt is a thing people clear.

"I've got it under control"

You'd say you're in control. Payments on time. Limits respected. Nothing spiralling. Whatever this book is about, it's about people who've lost control, and you haven't.

Ask what the control consists of. It consists of paying the minimum on time, every month, and staying under the limit. Both of those are things the card company wants you to do, and both are compatible with the balance never falling. You're in control in the way a person on a treadmill is in control. Everything's steady, nothing's changing, and you'll be in the same place in a year.

The regulator's word for this is the one from chapter 5. Persistent debt is what they call a balance that's been serviced by minimum payments for eighteen months, and it's the pattern of a person in control by your definition. Payments made, limits kept, balance unchanged. The rule exists because the people who look most in control from the outside, the reliable minimum payers, are the ones who never get out, and somebody decided they needed a letter.

Control, in the sense that matters, is the balance falling. Not steady. Falling, month on month, toward zero, by an amount you chose rather than an amount the card chose. If the owed column on your sheet is the same as it was a year ago, you're not in control of it. You're maintaining it, and maintenance at twenty per cent is an expensive way to stand still.

There's a version of this belief that's about being able to stop. You could clear it if you wanted. You just haven't wanted to. I'd only say that a person who could stop a thing that costs them eight hundred pounds a year and hasn't is a person who should ask what's been stopping them, and chapter 4's answer is that nothing feels like spending, and chapter 5's is that the minimum feels like a plan, and chapter 7's is that the level refills, and none of those is a wanting. They're a design.

The method in chapter 20 is control in the falling sense. A fixed amount, above the minimum, on payday, to the dearest card, that you set and the card doesn't. That's a number you chose, going out on a day you chose, in an order you chose, and the balance falls because of it. That's what control looks like, and it's different from what you've had, which is compliance.

What living on the limit costs you

I've argued the mechanism. This chapter is the bill, and the first line is the one you've been paying without adding up.

The interest. Add the interest line on the last twelve statements. For a balance of four thousand at twenty per cent, it's around eight hundred pounds, and that's for the privilege of having bought last year's things a bit before you could. Over the decade you've carried a balance, it's several thousand pounds that bought nothing.

Never zero. There's a state in which you owe nothing to anyone with a card, and you haven't been in it for years, and you may not remember what it felt like. It feels like the green number being yours.

The anxiety. StepChange's page describes people who come to them with sleepless nights and a fear of talking about the debt with the people they love. You may not be there. But a balance that never falls is a low hum in the background of a life, and it's there at three in the morning, and it's there when the letter comes, and it's there when someone mentions money at dinner.

No cover. Chapter 8. The card that was for emergencies is full of coats, and when the emergency comes there's nothing behind you but the last bit of the gap and a higher minimum.

The credit file. StepChange notes that missed and late payments are recorded as defaults and make future borrowing harder. You haven't missed any. But a card run near its limit for years is on the file too, and the mortgage lender reads it, and reads it as what it is.

The decisions made by the limit. This is the cost people miss. For a decade, what you could afford has been set by a number a bank chose, and you've bought coats and meals and trips up to that number rather than up to your income, and the difference between the two is the balance, and the balance is the record of a decade of decisions that weren't quite yours.

The conversations not had. A balance you'd rather not name is a balance you don't mention to the person you live with, and the not mentioning is a small distance in the house, and StepChange's callers describe exactly that, the fear of talking about it with the people they love. The card has been between you and someone, in a quiet way, for years.

And the things the interest would have bought. Eight hundred pounds a year, for ten years, is a figure that would make a difference to most lives, and it went to a card company for the service of hiding the total from you.

What it does to the month

The card doesn't only cost money. It gives the month a shape, and the shape is worth seeing because it's the thing the method changes.

Here's the month with the card. Payday. The minimums go out on their dates. The current account is spent on the fixed things, rent or mortgage, bills, food. Somewhere around the third week the account runs low, and the card takes over, and the last ten days are on the card, and the card's balance rises by a few hundred, and the green number falls by the same. Next payday, the minimums go out, including a slightly larger one, and the account is spent, and the card takes over a day or two earlier than last month, because the minimum was larger. Repeat. Over a year, the point at which the card takes over creeps earlier, and the balance creeps up, and nothing has changed except the date the green number gets touched.

That's a month run to the limit, and its shape is set by the card. The end of the month isn't the end of your money. It's the end of the account and the start of the gap, and the gap is what decides when you stop spending, which is when it's gone.

Now the month without. Payday. The fixed amount goes to the dearest card by direct debit, the same day, before anything else, as an earlier book in this series arranges for saving. The account is spent on the fixed things. Somewhere in the third week it runs low, and there's no card, and the last ten days are thin, and you notice, and the noticing shortens the spending, and the month ends with

the account near zero and the card's balance lower than it was. Next month the same, with the balance lower again. That's a month with a shape set by your income and not by a limit, and the thinness in the last week is the feeling that the card removed, and it's the feeling that tells you what a month costs.

The second month is uncomfortable. The sixth is a month, and it has a falling balance in it, and a date when the balance reaches zero that you can work out from the sheet, and the date is the thing the card never gave you.

Put the card away

The next three chapters are the method. This one is the title, and it comes first because nothing else works while the card is in your wallet.

Physically. Take the card out of your wallet and put it somewhere with a step in it. A tin in a kitchen cupboard. A shelf upstairs. Not cut up, because chapter 8's zero card is a thing worth having one day. Just not on you. The tap in chapter 4 needs the card to be present, and a card in a cupboard isn't.

In the app. Most card apps have a freeze. Use it. A frozen card declines, and a decline at the till is the moment of decision the card was built to remove, arriving late but arriving. Also remove the card from your phone's wallet and from every website that's saved it. The one-click card is the tap without even the tap.

Stop the growth first. StepChange's first piece of advice to anyone with card debt is to stop using the card you want to pay off, because when the amount stops growing it becomes much quicker to pay back. That's the whole reason this chapter comes before chapter 20. A fixed amount paid into a card that's still being used is a fixed amount lent back to you by the end of the month.

The two lines, on the fridge. The sheet from chapter 1, owed and available side by side for every card, with the rate and the minimum. Put it where you'll see it. The green number in the app is the card company's framing. The sheet is yours, and it turns the gap back into debt at a glance.

Tell someone. Not everyone. One person, that you've put the card away and why. A partner, a friend, the colleague who clears monthly. Not for permission, but because a thing said to another person is harder to quietly reverse, and because the card came out of the wallet in private and the freeze does better with a witness.

Every card. If there are two, both go away. The second card in the wallet while the first is frozen is chapter 12's transfer trap without the transfer.

Do this for a fortnight before anything else. Don't change the payments yet. Just put the cards away and live on the account for two weeks and see where the month goes thin. The thinness is information, and chapter 21 uses it.

The saved details. This is the step people miss. Online shops, delivery apps, the phone's wallet, the browser's autofill. Each one is the card without the card, and a frozen card that's saved in six places is frozen in one and live in six. Go through them once, tonight, and remove it from all of them. It takes twenty minutes and it's most of the freeze.

Expect the reach. Your hand will go to the wallet for the card a dozen times in the first week, at the till, at the checkout page, and find nothing. That's the habit meeting the arrangement. Each time it finds nothing, you decide whether to buy the thing from the account, and mostly you'll find you do, and sometimes you'll find you don't, and the second is the balance falling.

Pay it in the right order

The cards are away. Now the balance comes down, and it comes down faster with an order than without one.

Dearest first. From the sheet, find the card with the highest interest rate. Not the biggest balance, the highest rate. That card gets every spare pound. Every other card gets its minimum and nothing more, until the dearest is at zero, and then the next dearest gets everything. Gathergood's balance matching from chapter 11 is what most people do instead, and it costs interest every month, and this is the correction.

A fixed amount, on payday, by direct debit. Decide what you can put toward the dearest card each month above its minimum, and set it up as a payment that leaves on payday, before anything else. An earlier book in this series does this for saving and calls it the transfer, and the reasoning is the same. Money that leaves first isn't there to be spent, and a payment you set is a payment that happens, where a payment you intend is one that happens in the months when there's something left, which is few.

Make it fixed, not what's left. The fixed amount is a number you chose, and it's the same every month, and it goes out whether the month was good or bad. That's what makes it control in chapter 16's sense. What's left is what you've been paying, and what's left has kept the balance level for a decade.

Minimums on the rest, automatically. Every other card's minimum by direct debit, so that nothing is missed while the dearest is being cleared. A missed payment goes on the file, and StepChange is plain about what that costs.

When the dearest is clear, move the fixed amount. Don't reduce it. The same fixed amount now goes to the next card, plus what was that card's minimum. Each card cleared makes the next one faster.

The transfer, if it helps, with the old card frozen. If a zero-per-cent transfer makes the arithmetic better, use it, on chapter 12's terms. Old card away the same day, fixed amount set to clear the new card before the offer ends, no spending on either. A debt adviser will check the sums with you for nothing, and I'm not recommending any product.

Work out the date. With the sheet and the fixed amount, you can calculate the month the last card reaches zero. Write it on the sheet. It's the first time the debt has had an end, and a debt with an end is a different thing to carry from a level.

Live on the account

The cards are away and the balance is falling. This chapter is about the money you spend, which is now the money in your current account, and about making that a month you can live in.

Spend what's in it. That's the whole rule. The account balance is the number you look at now, instead of the green one, and when it's low, spending stops, the way it does for people without a gap. This is uncomfortable for two months and ordinary by the sixth.

Watch where the thinness is. The fortnight in chapter 19 will have shown you where the month runs out. That's the spending the card was covering, and some of it will turn out to be the month and some of it the gap. The gap spending, the coat on the twentieth and the meal on the twenty-fifth, is the part that stops on its own once the account is what's paying, because the account makes it feel like spending.

Cash for the evening. An earlier book in this series, about spending to keep up, suggests taking the evening's money out in cash for a month and paying with that, so that the split and the round register. The same works here for anything that used to go on the card without registering. Cash is the tightest coupling Prelec and Loewenstein described, and a month of it recalibrates what a hundred pounds feels like.

The cushion. Once the dearest card is clear and the fixed amount has moved to the next, take a small slice of it, twenty or thirty pounds a month, and send it to a separate account that isn't a card.

This is the earlier book's cushion, and it's chapter 8's emergency fund, the one the card pretended to be. Two or three hundred pounds in it changes how the boiler feels, and it's built from money that used to be interest.

No new credit while the sheet has a balance on it. Not a new card, not a store card, not buy now pay later. Chapter 23 has a word on those. Every new line of credit is a new gap, and the gap is what got spent.

Expect the month to feel small and then normal. The first month without the gap is a month with an edge on the end of it. By the third you'll know the shape of it. By the sixth it'll be your month, with a falling balance on the fridge and a date on it, and the green number in the app will have become a thing you don't look at, because the number you look at is the one in the account, and it's yours.

The decision

You've got the argument and the method. What's left is to decide, and I'd like the decision to fit in one sentence.

The card lives in a cupboard, not on me. I pay a fixed amount above the minimum on payday, dearest first, and I spend what's in the account.

Three parts.

The first is the freeze. Cards out of the wallet, frozen in the app, removed from every saved payment. The two lines on the fridge. A fortnight of living on the account before anything else changes.

The second is the order. A fixed amount you chose, by direct debit, on payday, to the dearest card. Minimums on the rest. The fixed amount moves, not shrinks, as each card clears. The end date on the sheet.

The third is the account. Spend what's in it. Cash for the evenings for a month. A small cushion once the dearest card is clear. No new credit while the sheet has a balance.

There's a form of planning that helps with rules like this, and it's been tested many times. Peter Gollwitzer and Paschal Sheeran reviewed ninety-four studies of it in 2006. You decide in advance what you'll do and when, in the form "when this happens, I'll do that", and people who plan that way follow through much more often than people who only hold the intention. So write three.

When I get paid, the fixed amount leaves for the dearest card that day, before I look at anything else.

When my hand goes to the wallet for the card and finds nothing, I'll check the account balance and decide from that.

When a card reaches zero, I'll move the fixed amount to the next dearest the same week, and put the cleared card back in the cupboard.

What to expect. This is my expectation and not a finding. The first fortnight will have a dozen reaches for a card that isn't there, and each one will be a small irritation followed by a decision, and the decisions will mostly be to buy the thing from the account and sometimes not to. The first month will end thin, and the thinness will frighten you a little, and the balance on the fridge will be lower than it was, which it hasn't been in years. Around the second month the fixed amount will start to feel like a bill rather than a sacrifice, because it goes out on its own and you've stopped noticing it. By the third month you'll know your month's shape without a gap in it, and you'll have stopped opening the card app, because there's nothing in it that changes. Somewhere between the sixth month and the end date on the sheet, the dearest card will reach zero, and you'll look at it, and the green number will say the whole limit, and it'll be the first time that number has been yours, and you'll leave the card in the cupboard anyway.

Joint cards, buy now pay later, overdrafts, the partner who spends, and when to get help

The rule holds for every kind of credit that behaves like a gap. A few need their own paragraph.

Joint cards. A card two people spend on is a gap two people fill, and neither sees the whole. The two lines go on the fridge where both can see them, and the freeze is agreed, not imposed. The fixed amount comes from the joint account on the day the larger income lands.

Buy now pay later. Splitting a purchase into three or four payments with no interest is a gap with a friendlier face, and it does what the card does. It decouples the cost from the paying and hides the total across a dozen small future payments. If you use it, it goes on the sheet as debt, because it is, and it stops while the sheet has a balance. Missed instalments can be recorded and charged, and the friendliness ends there.

Overdrafts. An overdraft is a gap attached to the current account itself, and it costs a rate that's often higher than a card's. If you live in it, it goes on the sheet with its rate, and it may be the dearest thing on the sheet, in which case it's first. Living on the account means living above zero in it, and the overdraft limit is a green number too.

Store cards and catalogue credit. Usually the dearest thing anyone owns. On the sheet, first in the order if the rate says so, and put away.

The partner who spends. If you live with someone who treats the gap as money and you don't, the sheet is the conversation to have, because it starts from numbers rather than from blame, and it's hard to argue with the rate column. If they won't look at it, a debt adviser will see couples, and an earlier book in this series is about raising difficult things.

Rising limits. The letter offering a higher limit is a letter offering a bigger gap. Decline it, or ask for the limit to be lowered to a little above the current balance, which most lenders will do, and which turns the green number small enough to stop being money.

When to get help. I said it in the preface and I'll say it plainly again. If you're missing payments, if you've used one card to pay another, if the balance has risen for a year and you can't see the stop, if the debt is keeping you awake or you're hiding it from the person you live with, ring StepChange, Citizens Advice or National Debtline this week. They're free, they're confidential, and StepChange's own description of the people who call them is people who describe sleepless nights and fear of talking about it. They've heard every version of your sheet. Nothing in this book is a reason to wait, and the method works alongside their advice, not instead of it.

Mental health. Debt and low mood travel together, in both directions. If the mood has been low most of the day for a fortnight, that's a GP conversation as well as a debt one, and the two things get better together more often than separately.

When you've used it again

It'll happen. The card will come out of the cupboard for a thing you told yourself was an emergency and wasn't quite, or the saved card on a website you'd forgotten will go through, or you'll unfreeze it for a weekend and forget to freeze it again. Then the balance will tick up, and the thought will arrive that you're back where you were.

One tap isn't the decade. The sheet on the fridge shows a balance that's been falling for months, and one purchase is one line against that fall. What happened is that the gap was available for a moment and the habit used it, which is what the habit does when the arrangement has a hole in it.

Back in the freeze, tonight. Not tomorrow. The card frozen, the saved card deleted, the cupboard. The fixed amount still goes out on payday whether or not you slipped, because it's a direct debit and not a resolution, and that's the whole point of having made it one.

Work out which gap got through. Was it a saved card on a site you'd missed? Delete it. Was it the cupboard being too easy to reach? Move the tin. Was it a real emergency with no cushion yet? Then the cushion moves up the order, and chapter 21 says how. Was it a bad week that wanted a coat? Then the earlier book in this series on buying when low is the one to read, and the card was the tool and not the cause.

And be honest about what the tap was. Sometimes it's the habit. Sometimes it's a month that genuinely didn't stretch, and the card was the only thing there, and that's not a slip. It's the cushion not being built yet, and the answer is chapter 21's small transfer starting sooner, not a verdict on you.

No streaks. Don't count months without a tap. Count the balance on the fridge, which is the only number that matters, and let one tap be a small bump in a line that's going down. The line's direction is what you've changed. A bump doesn't change a direction.

Available, nothing, owed, nothing

It's the twentieth of the month, some way on, and you're in a shop with a coat. It's a good coat and it's two hundred and twenty pounds. You open the app, and the app you open is the current account, and it says what's in it, and what's in it is enough for the coat and not enough for the coat and the rest of the month, and you know that because you know the shape of the month now, and you put the coat back. Or you buy it, from the account, and the account is lower, and you feel it, which is what a coat should feel like.

The card app is still on your phone. You opened it last week to look, and the dearest card, the one that was at three thousand nine hundred and eighty when you started, said owed, nothing, and available, five thousand pounds, and you looked at the green number and it was yours and you didn't want it. The second card has six hundred on it and a date in March. The sheet on the fridge has a line of falling numbers down it in your handwriting and one zero.

The boiler went in January. It was seven hundred pounds. The cushion had four hundred in it, and the fixed amount covered the rest over two months, and the card stayed in the cupboard, and you noticed, standing in the kitchen with the engineer, that this was the emergency the card had been for, and that the card wasn't what got you through it.

None of this is a transformation. You used the card once, in November, for a weekend, and put it back in the freeze the same night and the line on the fridge had a small bump in it that's gone

now. The month is still thin in its last week and you've stopped minding, because thin is what a month is when it's yours. The interest line on the second card's statement says eleven pounds, and you opened the statement to see it, which you hadn't done in ten years.

If you take one thing from this book, take this. Tonight, take the card out of your wallet, freeze it in the app, and write what you owe next to what's available on a sheet of paper you'll see tomorrow. That's the whole method. Everything else is detail.

Notes

This book gives general information about an everyday habit. It isn't financial advice, and it's no substitute for a debt adviser who knows your situation. The organisations I mention are free UK services as I found them in September 2026. No product, lender or rate is recommended, and the sums in the chapters are round and made up to illustrate.

I've kept sources out of the chapters where I could so they read easily. Here they are by chapter, with the limits I'm aware of. Unless I say otherwise, I read the published summary of each paper and not the full text. I checked each paper for a retraction or correction notice in September 2026 and found none. Where a chapter isn't listed, it rests on my own reasoning. That includes chapters 1, 2, 7, 9, 13, 15, 18, 19, 21, 24 and 25. The app, the coat, the boiler, the second card and the colleague who clears monthly are invented.

Before you start. StepChange, Citizens Advice and National Debtline are named on the NHS page on financial worries, as verified for earlier books in this series. The two-week guide for low mood is from the NHS pages on depression.

Chapter 3. Shefrin and Thaler, "The behavioral life-cycle hypothesis", *Economic Inquiry* 26, 1988, pages 609 to 643, as verified for the earlier book *Pay yourself on payday*. The claim about how limits are set is my reasoning and not a finding.

Chapter 4. Prelec and Loewenstein, "The red and the black: mental accounting of savings and debt", *Marketing Science* 17, 1998, pages 4 to 28. Raghurir and Srivastava, "Monopoly money: the effect of payment coupling and form on spending behavior", *Journal of Experimental Psychology: Applied* 14, 2008, pages 213 to 225. Both as verified for the earlier book *You didn't want it yesterday*.

Chapter 5. StepChange, "Credit card debt", for the persistent debt rule as they describe it. Stewart, "The cost of anchoring on credit-card minimum repayments", *Psychological Science* 20, 2009, pages 39 to 41. The summary gives no effect size and none is given here. Navarro-Martinez, Salisbury, Lemon, Stewart, Matthews and Harris, "Minimum required payment and supplemental information disclosure effects on consumer debt repayment decisions", *Journal of Marketing Research* 48, 2011, pages S60 to S77. American experiments and British field data. The inference about why the minimum is set where it is, is mine.

Chapter 6. StepChange as above, for the £1,000 at 20 per cent illustration. Soll, Keeney and Larrick, "Consumer misunderstanding of credit card use, payments, and debt: causes and solutions", *Journal of Public Policy and Marketing* 32, 2012. American statements, which the chapter says. The coat's real price is my arithmetic.

Chapter 8. Sussman and Alter, "The exception is the rule: underestimating and overspending on exceptional expenses", *Journal of Consumer Research* 39, 2012, pages 800 to 814, as verified for the earlier book *Pay yourself on payday*.

Chapter 10. StepChange as above, for around 18 million people. The earlier book on spending to keep up is Ask the price of the evening.

Chapter 11. Gathergood, Mahoney, Stewart and Weber, "How do individuals repay their debt? The balance-matching heuristic", American Economic Review 109, 2019. Linked data on multiple cards.

Chapter 12. StepChange as above, for balance transfers as one option. The observation about the old card staying in the wallet is mine.

Chapter 14. Soll and colleagues as above. The earlier book on the unopened letter is in this series.

Chapter 16. StepChange as above, for the persistent debt rule.

Chapter 17. StepChange as above, for sleepless nights, defaults and the credit file. The interest figures are illustrative arithmetic at 20 per cent.

Chapter 20. Gathergood and colleagues as above. The earlier book on the payday transfer is Pay yourself on payday. StepChange as above.

Chapter 21. Prelec and Loewenstein as above. The earlier books on spending to keep up and on saving as above.

Chapter 22. Gollwitzer and Sheeran, "Implementation intentions and goal achievement: a meta-analysis of effects and processes", Advances in Experimental Social Psychology 38, 2006, pages 69 to

119. The rule hasn't been tested as a package, and what I say to expect is my expectation and not a finding.

Chapter 23. StepChange as above, and the NHS page on financial worries. The earlier book on raising difficult things is Say it this week. The earlier book on buying when low is You didn't want it yesterday.