

Prepaid Credit Cards in Surprise, AZ: Are they a good thing?

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According to [Fox Business](#), the use of [prepaid credit cards](#) is on the rise. Citing to research published by Javelin Strategy & Research, the Fox Business article states that about 13% of households in the United States had a prepaid debt card last year. The research further showed that prepaid plastic is popular among Generation Y and other young adults.

While prepaid cards allow consumers to manage their account by using their mobile devices and build their credit, some of these cards have severe down-sides as well. The Fox Business article reports that four of them are:

1. **Fees.** It is important to check for hidden fees. For instance, some cards charge when you call customer service, you pay inactivity fees if you don't use your card, you pay to load money, you pay to use ATMs, or you pay if a transaction is declined. As you might expect, these fees can add up quickly!
2. **No FDIC insurance.** If your deposited funds aren't held at an [FDIC-insured](#) institution, your money is at risk if your card issuer goes under.
3. **No regulation.** If you get into a disagreement with your card issuer, there is not supervising authority to help you. Additionally, there is no legal obligation on issuers to disclose fees upfront.
4. **No statutory protections.** If you lose your card or it is stolen, it is difficult or impossible to force the issuer to help you. Such programs are often voluntary, so they are difficult to enforce.

The above may make it seem like prepaid cards are a horrible idea, which is not the intent of this blog. In fact, there are many good ones available. The focus of this blog is to make sure that consumers shop around and make smart decisions regarding which card to use. Simply taking the card that is easy and convenient could be a very costly mistake.

*If you would like to discuss your problems with debt collectors, call **The Dodds Law Firm, PLC**, at 623-209-8923. [The Dodds Law Firm, PLC](#), serves clients primarily in the areas of Fair Debt Collection Practices Act violations, Chapter 7 and 13 bankruptcies, and issues of Unfair or Deceptive Business Practices. Our firm is committed to protecting the rights and benefits afforded to all individuals under state and federal law, as well as the U.S. Constitution.*