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The History and Expansion of Credit Card Use A credit card is an automatic way used to sell goods and services without the consumer providing the cash in hand. Although reference of credit cards dated back in the 1890's, credit cards were first developed in the United States in the 1920's. They were initially developed and used by department stores, hotel chains, as well as oil companies. However, the initial credit cards involved sales that were made directly between the customer and the merchant. The main aim of developing the first credit cards was to assist customers who could have forgotten their money in their hometown bank. Although the previous cards were still considered as credit cards, the first true credit cards were developed after Second World War (Arnold 1-5; Mudd 48-50).

John Biggins developed the first bank credit card in 1946 while he was working at Flatbush National Bank of Brooklyn. Different organizations contributed in developing the various aspects of the credit card. However, credit card became popular in the 1950s when companies such as American Express and Bank of America developed their credit cards. The credit card was used to enable customers purchase goods and services and pay for them in regular intervals. Moreover, the card enabled banks to offer short-term credit. Additionally the card could allow user to make non-cash purchases while in different locations. Initially, travelers mainly used the credit cards (Arnold 3-5).

For credit cards to be successful, a regulatory environment was necessary. Such regulations included the regular validation of the credit card by the vendor. Moreover, the terms of payment had to be clearly stated. The customers had to provide their contact information and billing address (Arnold 2-7).

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Although credit card companies earn quite a large sum of money from interests, they still adopt dubious tactics to increase their profits at the expense of customers. One such trick is encouraging their customers not to pay their interest in time and use more credit so that they can penalize them. This enables them to increase their late and over the limit fees. The late and over the limit fees have thus grown rapidly. Additionally, some credit card companies provide insurance programs, dishonest marketing promotions, and other universal default policies to solicit money from their customers. Such malpractices include unfair billing and use of blatantly tactics (Whitney 48)

There are some credit card abuses, which can be found in learning institutions such as colleges and campuses. Although the laws in most states do not allow issue of credit cards to persons under 21 years, some credit card companies especially banks are offering ID cards that double as debit cards. Moreover, some companies target the student directly by camping in campuses, mailing the cards, and attending off campus events where they illegally convince the students to take the cards. Moreover, some banks offer credit card to students with the aim of retaining them so that they can later take mortgages and loans from them (Mudd 48-50; Whitney 48)

The recent legislation in the New York state protects abuse of campus students in that credit card companies are prohibited from providing credit cards to persons less than 21 years if they do not have a co-signer (Donnelly 1).

Works Cited

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