



Increase your Credit Card limit with these six smart tips

A lot of Credit Card users often complain that their credit limit is too low to suit their needs and have no clue how to increase the credit limit. This article gives you 6 smart tips to raise the Credit Card limit.

What is Credit Card limit?

The Credit Card limit, as the name itself suggests, is the usage limit set by the Credit Card company on a particular card. In other words, it is the maximum amount that you can spend using the Credit Card. For example: if your bank or the Credit Card company has set a limit of Rs 50,000 on your Credit Card, you cannot use the card to purchase or do any transactions beyond that amount. The credit limit varies depending on the type of Credit Card you use and your eligibility.

How can you increase the credit limit on your Credit Card?

Boost Your Credit Score

Since your credit limit greatly depends on your credit score, you must be wary of the same. It is the key to **increase Credit Card limit**. The credit score is like your performance review for using the Credit Card and it determines your credit worthiness. If you have never defaulted on paying your monthly instalments, it would be easier to get a higher credit limit. So, you must first focus on improving your credit score by using the Credit Card. You can use the card to pay your monthly bills and show the Credit Card bureau that you use your card often to pay the bills and that you need higher limit.

Repay dues on time

In order to convince the credit bureau to increase your credit limit, it is paramount that you first pay off the credit dues. If you have any pending dues from the previous month that is carried forward, make sure to clear that first. Next, try to pay off the future bills in full before the due date. By making the repayments on time, you can showcase that you can deal with debts prudently to your Credit Card company.

Be careful about the Credit Utilisation Ratio

The Credit Utilisation Ratio is the measure of the credit limit you are using as against the maximum limit granted to you. Experts suggest that, you keep this ratio below 30%. This would help you get maximum Credit Card limit in two ways. Firstly, low credit utilisation ratio suggests to the Credit Card company that you do not avail too much to manage your expenses. Secondly, it is one of the most important factors, after credit repayment history that affects the credit score. A low credit utilisation ratio will boost your **credit score** and indirectly help you get higher credit limit.

Show proof of increase in income

The earning potential and the ability to repay the dues on time is the most important factor that the Credit Card companies consider while determining the credit limit. So, if you have received a hike in your salary or if you have identified an alternative way to increase your income, submit proof of the same to the credit company and increase the credit limit.

Reduce the financial obligations you have

When you request for a Credit Card limit increase, the banks or the Credit Card company will surely consider the amount of debt you already have. This would include Home Loan EMIs, other Credit Card bills, Personal Loan, etc. If you have too many obligations, it is advisable to first reduce them and get rid of the fixed dues that you pay every month before asking for increase in credit limit.

Apply for a new card

The easiest way to increase the Credit Card limit is to apply for a new card that has a higher credit limit than your existing card. If you have been disciplined with your payments, you would easily get a card with higher credit limit.

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