

BBC Learning English

6 Minute English

Credit Cards

NB: This is not an accurate word-for-word transcript



Dan: Hello, I'm Dan Walker Smith and this is 6 Minute English from the BBC. Today I'm joined by Kate. Hi Kate.

Kate: Hi Dan.

Dan: Now Kate, today we're talking about credit cards. So could you please tell me what those are?

Kate: Sure. Well, **credit cards** are the plastic cards we use instead of money. You can use credit cards to pay for items in shops or to take out **cash**; that is money in its physical form, such as coins or notes.

Dan: So this week's question for you Kate is: In what year was the first ever credit card introduced? Was it:

- a) 1951
- b) 1955
- c) 1962

Kate: That's an interesting question. I had no idea they even went back as far as 1962. I thought they were much more recent than that. So in that case I'm going to go for c, 1962.

Dan: OK, we'll see if you're right at the end of the programme.

Kate: Now one of the obvious advantages of using a credit card is that it's often more **convenient** than carrying cash. If something's **convenient** it means it's easier generally or more suitable.

Dan: As you're not using actual money, some people say that credit cards can encourage you to spend more than you can really afford, and you could fall into **debt**. Could you explain what that means Kate?

Kate: Of course. Well the word **debt**, spelt D-E-B-T, is when you owe money to someone else.

And unfortunately credit cards often mean that people build up an awful lot of debt. So they're often not a terribly good idea. Have you ever had a credit card Dan?

Dan: I have what they call a debit card, so I never accumulate money. I just pay off what I already have, and I'm never in debt to anyone.

Kate: Well that's very sensible. I think credit cards can be a very good idea if you're travelling or if you're abroad, and you're a bit worried about not being able to get money out of the cash machine. But then unfortunately by the time you get back to your own country you've run up lots of debt on your credit card, which you have to pay off.

Dan: That's the thing; they're good for emergencies, but maybe you don't want to use them for everyday life.

OK, let's listen to the British journalist Mark Flint, as he explains why credit cards became so popular.

Kate: You'll hear the expression that credit cards were '**catching on**'. To **catch on** in this context means to become popular.

Dan: And listen out for the word **convenience**, which, means that the people found the cards **convenient**. As we heard before, if something's **convenient** it can save you time and effort.

So if credit cards were popular with bank customers because of their **convenience**, why were they so popular with the banks?

Extract 1

By the early 70s the credit card was catching on quickly. Consumers liked the convenience and banks liked the profits.

Kate: Aha, so while the customers liked the **convenience** of a bank card, the banks liked the **profit**, unsurprisingly. The **profit** is the amount of money that they were making.

Dan: Banks make **profit** from credit cards by charging **interest** each month on the unpaid debts.

Kate: And the word **interest** here is the term we use for a fixed fee that you pay when you borrow money. It's usually a percentage of the total amount. And **debt**, remember, is when you owe someone money.

OK, so let's have a listen to the next extract. The speaker talks about **cash machines**. These are machines where you can take out money – or **cash** – using your credit card. They're also called **ATMs**, which stands for **Automated Teller Machine**.

Dan: Can you tell me when the world's first cash machine was installed?

Extract 2

People were slowly getting used to plastic money, which would eventually be crucial to another banking revolution: cash machines. The world's first ATM was installed in a Barclay's branch in London in 1967, but it was quite a complex transaction.

Kate: Right, so the first **ATM** in the world was installed in 1967. It was opened at a **branch** of Barclay's Bank in London. Here **branch** means a division of a larger organisation. So the **branches** of a bank are smaller divisions of the whole company.

Dan: The speaker also used an interesting term: **plastic money**. Of course, he doesn't mean that the money itself is plastic, but that you're using a plastic card instead of actual **cash**.

Kate: And we also heard the word **crucial**. **Crucial** here means something vital or important. So when the speaker says **cash machines** were **crucial** to the banking revolution, he means that they were very important to the development of how we handle our money.

Dan: OK, we're almost out of time, so let's go over some of the vocabulary we've come across today:

credit card

cash

convenient

debt

to catch on

profit

interest

cash machine

ATM

branch

crucial

Dan: And let's go back to today's question: In what year Kate was the first ever credit card introduced?

Kate: And I made a complete guess, because I thought the 50s were a bit too early to have credit cards. So I went for 1962.

Dan: And for the first time in a number of weeks Kate, you're wrong.

Kate: Oh dear.

Dan: In fact, credit cards were introduced in 1951.

Kate: Gosh, I find that really surprising. I had no idea that they had credit cards that early on, in the early 50s.

Dan: Well actually, the story goes that in 1949 Frank McNamara, who was head of the Hamilton Credit Corporation, was having supper with his lawyer and a friend in a New York restaurant.

And at the end of the meal he realised that he'd forgotten his wallet; he couldn't pay for the meal, so he had to ring his wife to bring him some money.

Kate: Poor old wife!

Dan: So he was so embarrassed by this that he decided, with his fellow diners, to set up the Diners' Club credit card, so that you could pay for meals without needing any money.

Kate: Ah, so that was the first credit card.

Dan: Well if the story's true. I'm not entirely certain whether there's any truth to it entirely, but it's a nice story.

Kate: It is a nice story, and it's interesting just to see how the idea of the credit card first emerged.

Dan: So from all of us here at BBC Learning English, thanks so much indeed for listening, and goodbye!

Kate: Goodbye!