



## HSBC Installment Plan Frequently Asked Questions

### 1. What is HSBC's Installment Plan?

HSBC's Installment Plan (HIP) is a feature of your HSBC credit card. that allows you to pay credit card purchases made at accredited merchants at zero percent (0%) interest over your preferred repayment period (that is, the number of months to pay or what is commonly called "tenor" or "term"). HIP is the most flexible installment facility in the market today as it allows you to pay as low as 4% of your monthly installment amount. Now you can purchase all that you desire and pay it off on your preferred terms.

### 2. Who can avail of installment?

All HSBC credit cardholders are eligible to join the promo. The bank commonly refers to HIP as HSBC Installment and is made available to all HSBC credit cardholders. However, RED MasterCard cardholders have essentially the same facility but is called RED Installment.

### 3. What do you mean by zero percent (0%) interest?

Zero percent refers to an installment transaction where there is no additional interest or finance charges that will be applied to the actual cost of the item you purchased using your HSBC credit card's installment facility over the selected tenor. As such, you only need to pay on a monthly basis the purchase amount divided by the number of months to pay. Monthly Installment Amount at 0% interest = Purchase Amount/No. of Months to Pay

### 4. What happens in case my installment transaction amount cannot be divided equally over the chosen tenor or term?

The system shall make the necessary adjustment on the last monthly installment amount to be posted to your Statement of Account. For example, an installment transaction amount of Php10,000 over a 3-month term shall be posted to your SOA as follows:

1st of 3 installments = Php3,333.33

2nd of 3 installments = Php3,333.33

3rd of 3 installments = Php3,333.34

\*missing Php0.01 is added to your last installment transaction posting

### 5. How do I qualify for an installment?

To qualify, cardholders must satisfy the single-receipt transaction minimum purchase amount prescribed by the merchant with a resulting monthly installment amount of at least Php500. Some merchants may allow cardholders to combine several items in order to reach the minimum amount.



**6. What do you mean by "resulting monthly installment amount of at least Php500?"**

It means that the amount you will be billed by HSBC (monthly installment amount or monthly amortization) should be greater than or equal to Php500.

**7. What happens if I do not satisfy the minimum Php500 monthly amortization?**

The transaction will not qualify as an installment transaction and as such, the Card Centre shall decline the transaction. You may however still purchase the item/s and pay on straight or regular purchase (i.e., not on installment) with the option of revolving it if desired.

**8. What tenors are available?**

We offer tenors of 3, 6, 9 and 12 months. Please note that certain stores or establishments may choose to offer only selected tenors.

**9. Are all the items available for the above tenors?**

All items (except certain selected items in SM Appliance) are available on installment at 0% interest but some may not be available for selected tenors.

**10. Where can I avail of HSBC's Installment Plan?**

The option to do installment is available at selected appliance centers, furniture stores and specialty fashion retail shops.

**11. Can I clearly see in my statement of account all installment transactions? My monthly installment amortization?**

Yes, it will be reflected in your Statement of Account as a regular purchase transaction with the monthly installment amount and schedule of payment (e.g. 1st of 12 installments) shown.

**12. If I cannot pay the monthly installment amount for the month, will I incur penalty charges?**

No. Unlike other card issuers, your installment transaction will be considered by our system as a regular purchase. This will enable you to pay as low as 4% or Php500 of the total outstanding balance (regular purchases + monthly installment amount). That will result in your not becoming past due/delinquent and as such will not incur any late payment fees. You will however be charged the applicable finance charges for choosing to revolve on your card.

**13. If I am currently revolving a balance on my card, will I still be charged interest on my monthly installment amount even if I pay it off in full?**

Yes. We treat your monthly installment amount as a regular transaction and will form part of your total amount due. If you are revolving, the total outstanding balance shall be used when



computing for the applicable interest charges that will be levied on your credit card account for a particular billing cycle. Note however that only the monthly installment amount billed or posted in your Statement of Account shall be levied finance charges if you are revolving (only the amortization and NOT on the full installment transaction amount).

**14. Can my supplementary card get items for installment?**

Yes. Please note though that all installment purchases made by your supplementary card shall be posted and/or charged to your credit card account.

**15. How much of the installment amount will be applied to my available credit limit?**

You do not have a separate credit limit for installment thus the whole installment amount will be deducted to your available credit limit. Your available credit limit will be replenished as you pay your total outstanding balances each month equivalent to the amount you paid.

**16. Do I earn Bonus Points for my installment transactions?**

Yes. Each month, your credit card account shall be credited the corresponding Bonus Points equivalent to the monthly installment amount that is posted to your Statement of Account.