

The History of Credit Cards

BY

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Whenever we wish to buy anything, we just whip out our plastic and purchase...cash nowadays is becoming less and less common. Have you ever wondered about the origins of the credit card?

Have you noticed that they even accept them in Kentucky Fried Chicken??

Today it's referred to as the old plastic but all credit card buffs know that the first credit cards were not made of plastic but cellulose and metal plates.

Encyclopaedia Britannica documents that, the use of credit cards originated in the United States during the 1920s, when individual firms, such as oil companies and hotel chains, began issuing them to customers.

Also, in the 1920's, stylish stores in the United States issued them to their favourite customers.

So at that time they were highly localised in acceptance. So if you lived in Los Angeles you couldn't use your credit card in Chicago.

But credit cards gained nationwide usage after the likes of Henry Ford gave the world mass-produced cars. The ability to travel across America had the unintended consequence of popularising the credit card usage.

The 1950's saw the founding of the Diners Club, which now is one of the biggest credit card companies worldwide. Its founder, Mr. Frank McNamara probably was surprised the way his start up turned out to be.

The card was first intended to enable Diners customers to have their meals without paying for them, and Diners club would foot the bill. The customers then would repay Diners Club.

In 1951, Bank of America, encouraged by Diners success, started a card that is now called VISA. And other California banks started their card which later became MasterCard. The American Express made its debut in 1958.

At that time, the banks realized that the card business was a mass-market business, and they later began mailing anyone with an address (some of them dead) offering the new found craze.

This still happens today.. I receive requests with my details already filled in...those cheeky!!

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