

AN OVERVIEW OF THE TABBY CREDIT CARD

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INTRODUCTION

In recent years, the financial industry has witnessed a surge in innovative payment solutions designed to offer more flexibility and convenience to consumers. One such product gaining popularity in the Middle East, particularly in the UAE and Saudi Arabia, is the Tabby Credit Card (Arun, et al., 2024). This payment solution is offered by Tabby, a buy-now-pay-later (BNPL) service provider, and it is tailored to meet the needs of modern consumers who seek financial flexibility and control over their spending.

What is the Tabby Credit Card?

The Tabby Credit Card is a virtual credit card that allows users to make purchases both online and in-store, offering an alternative to traditional credit cards (Lawrence & Bleiler, 1998). It is not issued by a bank, but rather by Tabby, a financial technology company that partners with numerous merchants across the region. The key feature of the Tabby Credit Card is that it enables users to split their purchases into interest-free installments, typically across a period of four months (Mohamed, 2023).

Key Features

- **Interest-Free Payments:** Unlike traditional credit cards that accrue interest on outstanding balances, the Tabby Credit Card allows users to pay off their purchases in multiple installments without incurring any interest, as long as the payments are made on time.
- **Flexible Spending:** Tabby users can enjoy the benefit of purchasing products and services immediately while paying for them over time. This flexibility is particularly useful for individuals who may not have the full amount upfront but want to avoid traditional credit card debt.
- **Wide Merchant Network:** Tabby partners with a wide range of online and in-store merchants, including fashion retailers, electronics stores, home decor, and more. This broad network makes the card useful for a variety of shopping needs, from essential purchases to luxury items.
- **No Fees (If Paid on Time):** There are no hidden fees, as long as users adhere to their payment schedule. If payments are made on time, users can enjoy the benefits without worrying about late fees or penalties.
- **Quick Application Process:** The Tabby Credit Card is easy to apply for, requiring minimal paperwork or background checks. Unlike traditional credit cards, which involve a more rigorous credit scoring process, Tabby's application process is relatively quick, making it accessible to a broader audience.
- **In-App Management:** Users can easily manage their purchases and payments through the Tabby app. The app provides an overview of current spending, upcoming payments, and available balances, offering transparency and control over financial commitments.

Benefits of Using the Tabby Credit Card

- **Financial Control:** The installment-based payment structure allows users to budget their spending more effectively. Instead of paying for large purchases all at once, they can spread the cost over several months, easing the burden on their monthly budget.
- **No Credit Card Hassles:** Traditional credit cards often come with high-interest rates and complicated fee structures. The Tabby Credit Card eliminates these hassles by offering a straightforward, interest-free payment option for responsible users.
- **Enhanced Purchasing Power:** For consumers who prefer to avoid traditional credit card debt or those who may not qualify for high credit limits, the Tabby Credit Card provides an alternative means of accessing higher purchasing power without the need for a formal credit line.
- **Boost to E-commerce:** The Tabby Credit Card is particularly useful for online shopping. As e-commerce continues to grow in the region, the card provides a secure and convenient way for customers to make purchases and pay in installments without compromising their financial stability.

Considerations before Using Tabby

While the Tabby Credit Card offers several benefits, it's important for users to manage their spending responsibly. Although there are no interest charges for on-time payments, late payments may incur fees. Additionally, relying too heavily on buy-now-pay-later schemes can lead to financial strain if not properly managed (Moharram, 2023). Users should also be aware of their spending limits, which Tabby determines based on their payment history and financial behavior. Exceeding these limits can result in declined transactions or limited future use of the card.

CONCLUSION

The Tabby Credit Card is an innovative solution that caters to the modern consumer's desire for flexibility, transparency, and control over their spending. With its interest-free installment structure, easy application process, and growing network of merchant partners, the card offers an attractive alternative to traditional credit cards in the UAE and Saudi Arabia. However, like any financial tool, it's important for users to manage it responsibly to avoid falling into financial difficulties. When used wisely, the Tabby Credit Card can be a powerful tool for managing purchases and achieving financial goals.

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