

A debit card is a payment card that deducts money directly from a consumer's checking account when it is used. Also called check cards or bank cards, they can be used to buy goods or services; or to get cash from an automated teller machine or a merchant who'll let you add an extra amount onto a purchase.

Debit cards eliminate the need to carry cash or physical checks to make purchases, and they can also be used at ATMs to withdraw cash.

Debit cards usually have daily purchase limits, meaning it may not be possible to make an especially large purchase with a debit card.

Debit card purchases can usually be made with or without a personal identification number (PIN).

You may be charged an ATM transaction fee if you use your debit card to withdraw cash from an ATM that's not affiliated with the bank that issued your card.

Some debit cards offer reward programs, similar to credit card reward programs, such as 1% back on all purchases.

A debit card is usually a rectangular piece of plastic, resembling any charge card. It is linked to the user's checking account at a bank or credit union. The amount of money that can be spent with it is tied to the account size (the amount of funds in the account).

In a sense, debit cards work as a cross between ATM cards and credit cards. You can use them to get cash from a bank's automated teller machine, as with the former; or you can make purchases with them, like the latter. In fact, many financial institutions are replacing their plain vanilla, single-purpose ATM cards with debit cards that are issued by major card-payment processors such as Visa or MasterCard. Such debit cards come automatically with your checking account.

Paying with cash or writing checks may be preferable for some people, and checks are drawing money from the same checking account as a debit card.

When you need to pay with plastic, there are benefits to using a credit card instead of a debit card. If used responsibly and if you pay off balances every month, it can help build credit.

Fraud protection for credit cards also is typically stronger than it is for debit cards. If your card is physically stolen, call the bank immediately. Whether you have a debit card or a credit card, you can't be held liable for any unauthorized charges that hit your account after you contact your bank. Beyond that, protections favor credit cards.

Additionally, a stolen debit card often is more inconvenient even if you are not liable for the charges. Money is debited directly from your checking account, and it takes time before it is refunded. With a credit card, however, you don't lose access to any of your own cash-only the use of your card until you are issued a new one.