Credit is a convenience; it allows you to charge a meal on your credit card, pay for an appliance with an installment plan, or take out a loan to buy a house. However, when dining out at a fancy restaurant or spending the night away in a hotel, the Better Business Bureau of Minnesota and North Dakota (BBB) says it’s important to take notice of what the banking industry calls an “authorization hold.”

Here’s how it works: Let’s say your restaurant bill comes to $100 and you give the server your credit card. When they run it through, they put an authorization hold on your account for $120, assuming you’re going to add a nice tip to the bill. But you leave the tip in cash on the table instead. Still, your bank or credit card company “holds” that $120 for a couple of days until the actual amount of your charge is processed…and that means you don’t have access to that $20. If you’re close to your credit limit, it could mean a purchase is declined. If you used a debit card, it could mean a bounced check and overdrafts fees.

Now imagine it’s a hotel stay. You’ve checked in and given a credit card at the front desk. They put an authorization hold on your card for what they think your total bill will be (room, taxes, and incidental charges). If you are staying for several nights, this could amount to a lot of money that you no longer have access to; and when you’re traveling, that can be a huge problem.

Credit card processors discourage vendors from doing these kinds of holds, but they are perfectly legitimate as long as the vendor notifies customers of the practice. BBB advises consumers to keep tabs on their credit and bank accounts online, especially when traveling, and read the fine print on hotel agreements. When dining, pay for your check and tip together with either credit or cash, but not both. And whenever possible, keep a “cushion” of available funds on credit cards by paying off the balance regularly.

For more consumer tips you can trust, visit www.bbb.org/us/bbb-news.

The mission of the Better Business Bureau is to be the leader in building marketplace trust by promoting, through self-regulation, the highest standards of business ethics and conduct, and to instill confidence in responsible businesses through programs of education and action that inform, assist and protect the general public. We are open 8 a.m. to 5 p.m. Monday through Friday. Contact the BBB at bbb.org or 651-699-1111, toll-free at 1-800-646-6222.