"This is an excellent guide to help put people in control of their finances, full of sound advice and useful tips. Credit Action is to be congratulated on producing such a helpful guide. The Government fully supports and is committed to improving financial education for all, so that everyone has the skills and knowledge they need to manage their finances confidently."

Stephen Timms MP

Minister for Work and Pensions

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Essential reading if you want to stay in control of your money

creditaction
Better thinking about money

Thinking about money

Keith & Sue Tondeur
John Whiteley

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Credit Action is a national money education charity dedicated to helping educate individuals and families in all aspects of money management. Credit Action works in partnership with another charity, Consumer Credit Counselling Service (CCCS), who answer all our helpline calls. CCCS is a charity dedicated to providing confidential, free counselling and money management assistance to financially distressed families and individuals.

This book is only a guide to managing money and we have had to simplify some issues and make general comments. Dealing with debt is often extremely complicated and so you cannot hold us responsible for any action you take, or do not take, based only on what is written in this book.

If you have serious problems with debt, you should get expert advice immediately.

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* The **Financial jargon buster** explains what certain words and phrases mean. If a word is printed in **bold** you can look it up in the **jargon buster**.

Introduction

Handling money well and planning your financial future are two of the most important skills that you need in life. Yet, a recent report revealed that around 29% of British adults find it hard to get independent, simple advice about money.

Making good decisions about money is a challenge for anyone, whatever their income level.

Here are some of the most common questions people ask.

- How do we plan for different life events such as preparing for further education, setting up a home or starting a family?
- How do we get out of and stay out of debt?
- How do we write a budget and stick to it?
- How do we handle credit wisely?
- How do we save for the future?

The aim of this book is to help you answer these questions by providing simple and clear information and pointing you in the right direction for further help. This should give you the confidence you need to understand the basics of handling money well.

Under pressure

What causes financial pressure?

Figures indicate that the average British family has:

- little or no money saved – one in three of us saved nothing during 2006!
- a large amount of fixed living expenses to pay every month; and
- an increasing amount of credit commitments.

This means most people are depending on future income to survive. There are many reasons for this and it may be helpful to look at some of them briefly.

Lack of financial education

Many of us were never taught how to manage our money. This makes working out a **budget** and getting to grips with **interest** and charges on a **loan (APRs)** difficult for many of us, yet these things affect our day-to-day lives.

Pressure from other people

In our society we are always under pressure to present the correct 'image' and to buy the 'right' item and this is especially true for young people. Advertising constantly tempts us to buy things we 'need', and to treat ourselves to the luxuries we 'deserve' when, with a little thought, we might decide that these products were not that important after all.

Money and possessions (materialism)

Society tends to measure success with wealth – so being successful means being able to have whatever you want, whenever you want it. It is worth remembering that advertising is designed for one purpose only – to encourage us to buy something. Advertising often works by making us unhappy with what we have already. During a recent sale a big London department store ran adverts that simply said 'Buy me, I'll change your life' and 'I shop therefore I am'. These may sound catchy but they are also untrue!

You are more likely to spend if you:

- look around shops even though you don't need to buy anything;
- watch TV;
- look at newspapers, magazines and catalogues; and
- spend time on the Internet.

If you use **credit** in any way, you are also likely to end up spending more. A **credit card** can be useful, but it can tempt you to buy things you can't really afford.

Looking ahead

Personal debt

In the UK the amount of money people owe has grown in recent years. It is now almost £1.4 trillion (that's a million million), which is over £29,000 (including mortgages) for every UK adult.

Although using credit can be helpful to many people, there will always be some who will face financial problems and need help. Anyone can get into debt. Redundancy, ill health, relationship breakdown and bereavement all put a strain on finances.

Government policy

Any government in power has to face the dilemma that we are all living longer. This means there are more retired people than ever. The traditional retirement age is 65 but there are already government plans to increase this. Social and health services and state welfare benefits have been revised, often leaving people to cope more and more for themselves as best they can. Constantly changing **interest rates** and financial and taxation policies, such as tuition fees, have made planning for the future more difficult for individuals and families.

Planning for life events

Everyone goes through different life stages. Each of these stages may involve changes in our financial situation and it is sensible to prepare for these as much as possible.

Going to college or university involves considerable costs, especially if you decide to study away from home. It is important to consider both living and tuition costs. For more information look on our website at www.creditaction.org.uk/student for details of our 'Moneymanual for Students' or visit www.nusonline.co.uk

A car may be the first major purchase you make. To find out more about this, go to the Life Events section of www.moneybasics.co.uk or www.theaa.com

Setting up your first home, whether you are renting or buying, is a huge commitment and needs much thought and advice. For more information and tools such as a mortgage calculator visit www.moneybasics.co.uk

Starting a family may be a great idea, but unless you **budget** properly it can soon lead to financial pressures. Estimates of the cost of raising a child vary but could well be more than £150,000 to the age of 21! To find out more and to learn how to teach your children to handle money wisely, go to these websites, www.moneybasics.co.uk and www.moneystuff.co.uk.

There are very few jobs for life and, if you face **redundancy**, your income is likely to fall quickly. This book will help you and you should make sure you get all the relevant benefits by making an appointment at your local Jobcentre. See www.jobcentreplus.gov.uk.

You also need to remember that **long-term injury or sickness** can seriously affect your finances. Try to build up savings of about three months' living costs so that you have some sort of financial cushion in case of an emergency.

Separation and divorce. Sadly some relationships fail and it is important to get help immediately, particularly if children are involved. The cost of the average divorce is now estimated to be nearly £30,000. Look at www.moneybasics.co.uk, www.relate.org.uk or www.csa.gov.uk.

Bereavement. If your husband or wife dies, you could be eligible for some state benefits. Go to the Rights and Responsibilities section of www.direct.gov.uk to find out more. You also need to check if your partner had any life assurance.

Retirement. When you retire you give up the regular income from your job and it is replaced by a state pension and, in some cases, a personal pension. To avoid living in poverty in your old age, you really do need to be saving regular amounts from an early age. To find out more, visit www.moneybasics.co.uk, www.ageconcern.org.uk or www.thepensionservice.gov.uk.

Finally, everyone needs to **make a will**. Visit the Resources section of our website at www.creditaction.org.uk for our guide to making a will.

Money worries?

What can happen if you ignore your money worries

At various stages in their lives most people will worry about money – often because they feel they may have overcommitted themselves or because of job insecurity. If you are struggling with money it is so easy to have negative feelings – to be afraid, to feel guilty and generally have a low opinion of yourself.

Money worries and related stress can have the following effects.

Health problems

Constant worrying can wear you down and lead to severe anxiety. Many people who get into debt become very afraid and have unnecessary fears about losing their home, going to court or being imprisoned. Doctors are used to seeing people who are under this kind of pressure so don't be embarrassed to go and see your GP if you feel your health is suffering.

Loneliness

Sadly, many people who are in financial difficulty cut themselves off from their friends. Part of the problem can be pride. Some people feel ashamed of the conditions they find themselves in, yet are too embarrassed to ask for help. They don't know which benefits they are entitled to and the complicated forms and processes put many people off. Try not to let these feelings get in your way. Many of your friends may have had similar experiences. Your company is much more valuable to them than your money.

Relationship breakdown

Relate, the UK's largest provider of relationship counselling, states that money is a major cause of breakdown in many relationships. By not telling your partner what is happening you run the risk of destroying the trust between you and this is far harder to sort out than any debt problems.

Problems at work

You can find that financial pressures at home are hard to leave behind when you go to work. If you are stressed and anxious, you can make poor decisions that affect others (including their safety). You may find yourself being short-tempered with your colleagues and your work relationships suffer. It can be tempting to take advantage of your employer. You might consider fiddling your expenses or stealing to try to make ends meet at home. This puts your job at risk as well as potentially damaging your reputation – (as well as being illegal!)

Despair

As the TV is repossessed again, the cooker packs up and years of repaying debt stretch ahead, it is not surprising that many people fall into despair or simply give up. If you are in a cycle of debt, you are not powerless, although you may feel it! You can take practical steps and do something about the situation. If you are drifting into debt or constantly feel worried about the next money crisis, this book shows you how you can avoid it by acting now.

Facing facts

What to do if you are in debt

1. Acknowledge your emotions

If you are afraid to open letters, answer the phone or open the door, it is time to get help. Ignoring it will make you feel the situation is out of control and may also make you dread what tomorrow might bring. Facing up to the problem can be a frightening thought but it is the first step towards doing something about it.

2. Communicate

Once you have acknowledged that you have a problem, talk with your family or your friends and write to your bank, building society and creditors. People are far more likely to be sympathetic towards your case if they know what you are struggling with and why. Creditors will not just go away, but if you are honest and straightforward with them and tell them what is going on they are much more likely to agree to help you with your problems.

3. Take advice

The longer you allow things to get worse, the harder it is to sort out the problems. Phone the **CCCS helpline 0800 138 1111** or go online to **www.cccs.co.uk** and use the Debt Remedy tool. The helpline is staffed with caring, experienced people who are trained to help. Or talk to your local Citizens Advice Bureau (the number will be in the phone book). **Whatever you do, don't go to any organisation that charges you for its advice.**

Taking control

Budgeting

Create a budget

A **budget** may sound boring but it is a vital first step towards being in control of your finances. It is a plan that helps you to identify regular income, expenses and savings. A budget will also help you to identify the level and importance of your expenses and help you to see exactly where your money goes.

Why you need to budget

Making a budget helps you to:
- get rid of stress by planning and monitoring your spending habits;
- know whether or not you are in control of your finances;
- know how much money you have coming in each week or month, and how much you have to spend;
- cut back on unnecessary spending; and
- save money.

How to create a budget

Budgeting is not difficult, although it may take some concentration and a bit of work. You do not need to be a financial wizard or a maths genius to do it!

The following tips will help.
- Be honest. Don't try to skip certain items or underestimate your spending.
- Be consistent and accurate. Making a budget involves keeping regular records of what you are spending. The little things that you buy can soon add up – you probably are spending more than you think. A sure-fire way to comprehensively keep track of your spending is to use the all new **Moneybasics Spendometer**. You can download it for **free** from **www.creditaction.org.uk/spendometer** and it will allow you to budget wherever you are on your mobile phone.

Creating a budget

Use the sample budget form and follow the steps below to create your budget.

1. Work out your income (including benefits). Make sure you are taking your **net income** that is, your income after tax and National Insurance have been taken off. The example on the form shows you the type of areas your income could come from.
2. List your regular commitments. This includes things like Council Tax, **mortgage**, rent, heating, **insurance** and so on.
3. Add up what you are spending on normal day-to-day living expenses – this includes things like shopping for food, clothes, transport, entertainment and so on.
4. Record what you spend on occasional items – such as birthday and Christmas presents, repairs or decorations to your house or flat, holidays and so on. You don't buy these items regularly but it is helpful to put an amount on one side for them every month.
5. Make sure that you work out your income and spending for the same period. For example, if the income is a monthly figure, the spending should be a monthly figure as well.
6. Add up your income and then add up your spending. If the spending is more than the income, it may mean that you need help with your finances. It is important to review your budget every month and adjust it as your income and expenses change.

Prioritising your spending

To manage your money well, it is important to prioritise your spending (decide which items are most important). This may vary from person to person but here is a general guide.

- First, pay your bills. Make sure your most important expenses are covered each month – for example, rent or mortgage, utility bills (gas, water and electricity) and your car payment.
- Then pay your day-to-day needs, like food and travel.
- Occasional costs come up every three months or every year. Make sure you have put money aside to pay for those.
- Save some money for emergencies. Unexpected situations can occur and it is helpful to have an emergency fund.
- When you have covered all these expenses, the next step would be to save money for future plans such as buying a house, education and so on.

Budget form

Income

	£
Main wages or salary (after tax)	
Partner's wages or salary (after tax)	
Working Tax Credit or Child Tax Credit	
Part-time earnings	
Pension	
State benefits	
Maintenance	
Money from rent or lodgers	
Interest or other investment income (from building society accounts and so on)	
Total (A)	

Expenses

Regular commitments

Mortgage	
Rent	
Child maintenance	
Child minder or nursery	
Council Tax	
Electricity	
Gas	
Water rates	
Phone and mobile	
TV licence	
Car tax	
Car MOT	
Insurance – car	
house and contents	
personal	
Life assurance	
HP (hire-purchase) payments	
Loan repayments	
Pension payments	
Credit card payments	
Total (B)	

Day-to-day expenses

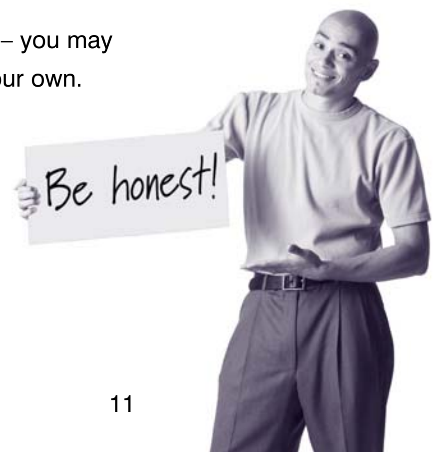
	£
Food	
Clothing and shoes	
Petrol and transport	
Entertainment – videos, magazines, pub, cinema and so on	
Chemist and prescriptions	
Children's pocket money	
Total (C)	

Occasional costs

Car repairs	
Household repairs and redecoration	
Birthday presents	
Christmas expenses	
Holidays	
Vets' bills	
Replacing household appliances (microwave, washing machine and so on)	
Dentist	
Optician	
Total (D)	
Total of all expenses (B+C+D) = E	

Total income (A)	
Less total expenses (E)	
Balance	

The above items are examples – you may need to put in other items of your own.



Shopping around

Getting value for money

It is a good idea not to rush into the first shop and buy what you want without looking around. Apart from the differences in prices, similar items in another shop may have slightly different features, and may suit you better. The internet is great for comparing prices and also many items can be bought cheaper over the web so that it is often a good place to start.

Comparing like with like

When making comparisons only compare 'like with like'. A common phrase used when talking about this topic is 'apples and oranges'. You can't make a direct comparison between different items like apples and oranges. For instance, you can't look at the price of a kilo of apples and compare that directly with the price of a kilo of oranges. You can only compare apples with apples and oranges with oranges.

Another way of comparing like with like is by comparing the weight or measure.

Example

You see two packets of cornflakes at the supermarket. One costs £1 for 800 grams. The other costs £1.40 for 1 kilogram. Which is the cheaper comparing weight for weight?

This involves making a calculation. The smaller packet costs 25 pence for 200 grams, the larger packet costs 28 pence for 200 grams so in this case the smaller packet would be the best value. However, supermarkets must now display the price for 100 grams so look for this to work out which offers are cheaper.

There is another approach you could take. Instead of thinking just about the product you are buying, think why you are buying it and how long you might use it for. This kind of thinking can often result in a better buy – there is no point buying a bargain if you can't use it by the sell-by date.

Evaluating special offers and promotions

One common way of encouraging us to buy more is to introduce loyalty cards or bonus points. These can be very useful if you buy items from that particular shop regularly, as this often leads to special offers or discounts just for cardholders. But make sure you only buy what you want. A 20% reduction still means you have to pay 80% of the price!

If you are tempted to sign up for such a scheme, look carefully at the reward catalogues before you sign up and ask yourself the following.

- Do I really want these things?
- Would I be likely to spend my money on them if they were not in the rewards catalogue?

If the answer is 'Yes', it will probably be right to go ahead, but if there is nothing in there that you really need, there is little point in signing up.

Thinking about short-term or long-term value

Value for money depends on how long you expect to benefit from using the item.

For example, if you are looking for a piece of furniture that will last you a long time, you may not necessarily choose the cheapest item in the shop. An item may be more expensive because it is made to a higher standard, and uses better-quality materials. This could be better value in the long term. On the other hand, a parent buying clothes for a child who is growing rapidly knows that the clothes will not fit the child for very long. So they may buy something cheaper than the very best-quality items.

Buying clothes for children or teenagers also highlights the issue of peer-group pressure (pressure from friends). Children and teenagers can be very sensitive to peer-group pressure, and will very often object to wearing anything but the right designer labels. Giving teenagers a clothes allowance is a good idea. Agree on an amount and stick to it. If they then spend all their money on some designer trainers and haven't anything left over, they can't come shouting at their parents (although they probably still will!)

Deciding whether to buy or rent

Sometimes the article you want to buy may also be available to hire. Instead of becoming the owner of the item, you pay a rental or hire charge to use that item for a limited period of time.

Pre-recorded videos or DVDs are an example. You may not consider it worth buying a DVD of the latest film – which is why there are so many video stores where you can hire a DVD or video for one night. On the other hand, a film 'buff' may decide to buy a classic film because they will watch it every Christmas!

There may be times when it is better to hire instead of buy. For instance, a particular building or DIY job might involve using a power tool of some sort. If it is a specialised item, you might want to hire it rather than buying it.

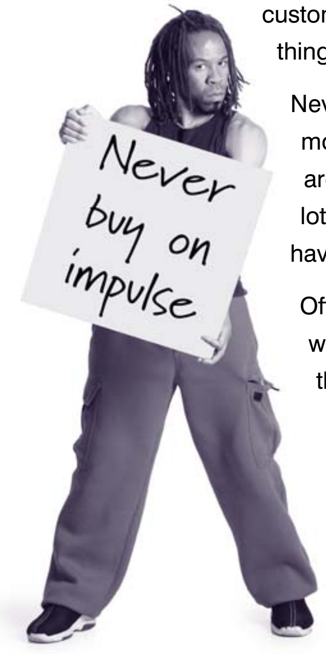
Reading the small print

It is very important to read any contract very carefully before you sign it. This may be a chore, and most of these documents are very long. But unless you know all the conditions attached, you may be signing up to something very costly. If in doubt ask "What does this mean?" and don't be afraid of changing your mind if you are not happy with the explanation given.

It is important to keep documents or receipts you get with your purchase as the goods may be faulty, or they may be insurance documents. Over the years many people's circumstances have changed through such events as job loss and they have forgotten that they have insurance that would pay the money they owe in such circumstances.

Resisting emotional and other pressures

We often hear the phrase 'retail therapy'. When making purchases we don't always approach the process in an entirely logical way. Often our emotions are brought into play – for example, by advertisements, or by the way the item is packaged and displayed. Supermarkets use the lovely smell of freshly-baked bread to tempt customers right to the back of the shop – and they buy many extra things as a result!



Never rush into an impulse buy – especially if it costs a lot of money – without allowing yourself time to think about how you are going to pay for it. For instance, if you are about to spend a lot of money on something – say, a new DVD player – go and have a cup of coffee first, preferably not in the same shop.

Often it can be wise to leave the credit card at home – if you really want or need something you can always go back and get it and that way you are less likely to buy on impulse and regret it later.

Much has been made of the power that children have over their parents while shopping. This is really another pressure that can stop you from thinking properly about what you are buying and, before you know it, you have bought something you shouldn't have.

Try to resist this pressure to buy things you don't need and can't afford.

A very common excuse that people use when they want to convince themselves to buy something is how much they will save by buying it. Perhaps it is a coat that has been reduced in the sales. It was £100, but now it is only £60. Look, I have saved £40! This is a prime example of our minds playing tricks on us. We try to justify spending a lot of money but you still have to spend the £60 to be able to save that money.

Never use the 'Look how much I have saved' argument to persuade yourself to buy something on impulse. Always think about whether you actually need that item. Of course there are bargains out there and it is sensible to take advantage of items in a sale – but only if it is something you need and the price and quality make it a 'good' buy.

Remember when using credit cards that if you don't pay off the balance as soon as it appears on your statement, you will be charged interest. So, if you are paying interest and you don't pay off your credit card balance for many months, that bargain could end up being very expensive.

How to make a valid complaint

Many people are afraid of complaining. But if you have bought something that is not satisfactory, you have the right to complain.

Here are four important things to remember when making a complaint.

- Stay calm.
- Do not try to blame anyone.
- Decide which is the best way to complain. Sometimes a letter is more appropriate than a phone call. And, some sort of evidence is always useful when you make a complaint. If you can carry the goods, you could take them back to where you bought them to show that they are unsatisfactory.
- Always say how you would like the problem solved. You must decide whether you want your money back, or whether you want a replacement in the case of goods, or whether you want the job done again in the case of services. If you are not happy with the way your complaint has been dealt with, keep going to a more senior person until you get someone who can deal with your complaint satisfactorily – this often requires some persistance. Remember that, in the end, a company should be more concerned with keeping your goodwill as a customer than the actual cost of replacing the item.

If you still can't get any satisfaction, many industries and professions have independent panels to which you can go. For instance, the insurance industry has an **ombudsman**, who deals with complaints about insurance companies. Professions such as doctors, solicitors, accountants, architects and so on have professional bodies that regulate their conduct. Complaints from the public are treated very seriously.

Your legal rights

As a consumer, you have certain rights by law. Here is a summary.

For goods you have bought, the goods must:
- match any description given;
- be of satisfactory quality; and
- be fit for the purpose intended.

For services, the services must be:
- supplied with reasonable care;
- provided in line with the skills the person offering the service says they have;
- performed within a reasonable time; and
- performed at a reasonable price.

Always remember, however, that words such as 'reasonable', 'satisfactory' and so on can have different interpretations, and what you mean, as a consumer, may be different to what the seller or manufacturer means.

Money-saving ideas

Tips for reducing your spending

Grocery shopping

- Look out for special offers and buy in bulk where possible for items that won't go off.
- Look for 'own brand' items at supermarkets. They are usually cheaper.
- Buy fruit and vegetables that are in season or even grow your own.
- If possible avoid prepared meals or other convenience foods. They are usually expensive.

- Always shop with a list so that you are not tempted to buy unnecessary items.
- Don't take the children shopping with you!

Other items

- When buying larger items, don't be afraid to haggle, or to try and ask for a discount.
- Look for sales – these used to be at certain times of the year, but nowadays they can come at any time.
- Buying second-hand can be good value – but be sure things are in good working order, and won't fall apart.
- Buying cars when they are two years old and keeping them for three years is the most economical way of owning a car – but make sure you get the car checked over before buying.
- Almost all goods (including food) can now be bought over the internet, often cheaper than in the shops. The web can also be useful for comparing prices before you buy – checking out a couple of the price comparison websites is always helpful before making a purchase.

Services

- It is a good idea to get a written quote when you are having work done by a tradesman.
- Try DIY if you can.
- Use energy-saving light bulbs.
- Holidays can be cheaper if you book them either very early or at the last minute.

Special occasions

Many people do not plan their spending for things like Christmas. If you don't plan, you can overspend and end up struggling to repay what you owe. Putting an amount aside each month could help.

Using credit wisely

What is credit?

Credit is any sort of arrangement you make to get money, goods or services which you agree to repay at a later date. Commercial companies lending money or providing credit of some sort have safeguards that they put in place.

The safeguards can take different forms depending on the type of credit. For example, the lender may have the right to possess and sell off some of your property to pay back the debt if you do not make the necessary repayments. Other safeguards include guarantees given by a third party (this is where someone else agrees to pay if you stop paying), and the last resort is to take you to court to get the money back.

Why do we borrow?

Borrowing is a very big responsibility, so only take it on if you are certain you can manage the repayments. However, at times, borrowing can be very useful. For example:

Using a credit card can be a useful way of:
- doing your shopping;
- making purchases online; and
- making purchases abroad.

Borrowing can also be useful:
- for purchases you could otherwise never afford, for example, buying a house; and
- to help you with cash-flow problems or through difficult times.

Am I creditworthy?

What is a credit check?

A lender carries out a credit check to find out about your **credit history** and your current credit standing. In other words, to find out how risky you are as a borrower.

Lenders will assess you on the basis of your credit check to decide whether you will be able to repay the money they lend you.

Other companies, like mobile phone or utility companies, will run a credit check on you before offering you an account to make sure you will be able to pay for their services.

How is a credit check done?

Information about you and any existing credit agreements are held by a credit reference agency and any company wanting to make a check on you will ask for the information. The two main UK agencies are Experian and Equifax.

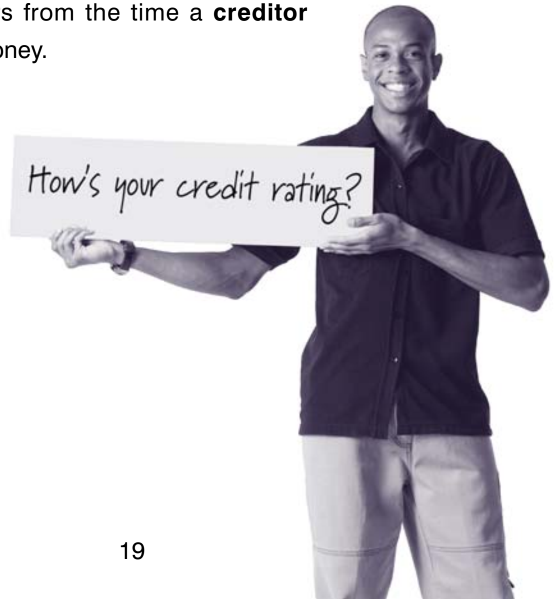
The credit reference agency will hold information about:
- your address on the electoral roll;
- any court orders against you for non-payment of debts;
- bankruptcies declared against you;
- all current and previous credit agreements; and
- any recent applications you have made for credit.

The lender will assess and rate you on the basis of the information obtained. This decides whether you will be:
- offered credit on standard terms;
- offered credit at special terms (for example, at a higher interest or shorter repayment period); or
- turned down for credit.

What happens if I have a bad credit history?

If you have a bad credit history you will have a 'negative rating' that lasts for six years from the time a **creditor** records that you owe them money.

This is usually done through the courts and means the person you owe money to has been granted a County Court Judgement.



If you pay the debt in full within 28 days, it will not affect your credit history. But, even if you pay it after that time, you will struggle to get credit for the next six years.

After six years, you will have a clear credit history again.

How can you obtain your credit report?

If you are interested in getting a copy of your credit report, you can apply to either Experian or Equifax. They have to send you a copy of your own credit report (for a small charge) within seven days.

You can also find out immediately on the internet, but this will cost you more.

Practical tips on keeping a good credit history.

- Never borrow money that you know you will struggle to repay.
- Always keep to the arrangements you have signed up to.
- Always pay at least the **minimum payments** required on your credit cards.
- Do not keep applying for credit and not take it up.
- If your circumstances change for the worse, let your creditors know immediately.

More information about credit checks

You can get a free copy of the 'Credit Explained' leaflet from:
Credit Explained
PO Box 857
Stanley Street
Blackburn
BB1 3BW.
(If you write, there is no need to include a stamped addressed envelope but remember to include your address and phone number.)
Phone: 0870 600 8100
The guide can be downloaded free from www.creditaction.org.uk

Websites

Experian: www.experian.co.uk
Equifax: www.equifax.co.uk
Check my file (to check your credit rating online): www.checkmyfile.com
Credit Expert (for help and a free check with Experian): www.creditexpert.co.uk

Credit cards

A credit card is a way to get credit.

Everything you use your credit card for gets charged to your account.

Each month you will be sent a statement listing everything you paid for using your card.

You can pay any amount from the minimum to the full amount. If you do not pay off the full amount, you will be charged interest.

If your payment is late, you may have to pay a fee.

How much does it cost to have a credit card?

The charges include:
- the interest rate;
- a late fee; and possibly
- an annual charge.

Interest (also known as the APR)

If you do not pay off the full amount every month, you are charged interest on the outstanding amount. The interest rate is known as the **APR** or **annual percentage rate**.

The way **APR** is calculated is complicated and varies between different providers. However, it is important to look at this figure because usually the higher the figure, the more interest you will be paying.

Interest is normally charged on a daily basis on all the amounts shown on the statement. However, if you pay off the whole balance on your monthly statement before the due date, you won't have to pay any interest so you should always be aiming to do this.

Interest is charged at different rates for different services, even if you are using the same card. The different rates will be explained in the information pack you get when you apply for the card. Examples of the different rates include:

- the standard rate which is for purchases made with the card;
- a higher rate for cash **withdrawals** (so try not to do this); and
- a lower rate for special promotions such as balance transfers.

Late fees

If you don't make the **minimum payments** on time, you will be charged a fee for late payment. If there are special reasons for this, such as serious illness, tell the company as soon as possible. They might be prepared to set aside the fees in certain circumstances.

Annual charge

Certain credit card companies may also have an annual charge or fee.

Other features of a credit card

Card companies offer many extra features and facilities to their customers. These can include the following.

Loyalty schemes – with points given every time you spend. You might be able to use the points for items in a catalogue, or you may get them as vouchers or travel discounts.

Cash back – some cards have loyalty schemes which give cash bonuses instead of points.

Price promise – this means that if you find you could have bought an item cheaper, the company will refund the difference.

Purchase cover – this gives insurance cover for a set number of days if any items bought with the card are stolen or damaged.

Internet delivery protection – this insures an item bought over the internet while it is being delivered to your house.

Fraud guarantee – this guarantees you against anyone else using your card without your permission.

International rescue – this gives you a number to phone if you are abroad and you need help for things like a lost passport, or emergency cash.

Special offers – balance transfers

Card issuers will encourage you to transfer your outstanding balances from other cards onto their card, often offering a much lower rate of interest. This is called a balance transfer.

Things to consider about balance transfers include:

- how long the lower rate of interest lasts;
- what the interest rate will be after the special offer;
- how other terms, such as **credit limits**, payment dates, how interest is calculated, fees and charges and so on compare with your present card; and
- when you make a payment to the card issuer, how much is paid off what you owe for current purchases, cash withdrawals and balance transfers. These things are important if you want to understand the true costs and benefits.

Using a credit card to make cash withdrawals

You can withdraw money with your credit card. You will have to pay a charge, usually 1.5% of the amount you withdraw, with a minimum charge of £1.50. So, if you need to draw money out on a regular basis, consider drawing out larger amounts less often to avoid paying the charges.

What is the minimum payment?

The minimum payment is the minimum amount you have to pay off each month on your account.

For example, if the outstanding balance (what you owe) on your statement is £1,000, the minimum payment would probably be about £25. (This is 2.5% of the outstanding balance. Some company's charges can be as low as 2% or as high as 5%). If you only ever pay the minimum payment, it could take you between 10 and 15 years to pay off the amount you owe.

Monitoring your credit limit

All credit cards have a credit limit, which is the highest amount you are allowed to spend on your card.

The credit limit is fixed for you when you first apply for a credit card. That amount is shown on your monthly statement.

Check your credit limit on a regular basis as sometimes credit card issuers will change your credit limit. If they do this, they will put a notice on your statement telling you what your new credit limit is.

You can reduce your credit limit any time by contacting your issuer and you are not under any obligation to accept it if your issuer raises your limit without asking.

What if my card is stolen?

You should report any stolen credit card immediately to put a stop on the account. If you are overseas, banks usually provide a reverse-call charge service to allow you to stop the card as soon as possible.

Chip and PIN

This is a system in the UK, designed to reduce card crime.

New credit and debit cards have a special electronic chip, and instead of signing when you use your card, you will be asked to key in a **PIN**.

For more information about chip and **PIN**:
Website: www.chipandpin.co.uk

Need help to manage your finances?

See page 27.

Loans

A loan is one way of using credit wisely. If the loan is from a friend or relation, you may agree between you that you will repay it as and when you can afford it. If the loan is from a bank, moneylender or other institution, there will be a formal written agreement. This will set out things like the terms of the loan, including how much and how often the repayments are, the interest rate and any charges or fees.

Example

The bank agrees to lend you £5,000. There is an arrangement fee of £100, and interest is charged at 8% over the life of the loan. The life of the loan is five years, and repayments are £119 a month. Over the five years you will have paid back £7,140 in total including interest and charges of £2,140.

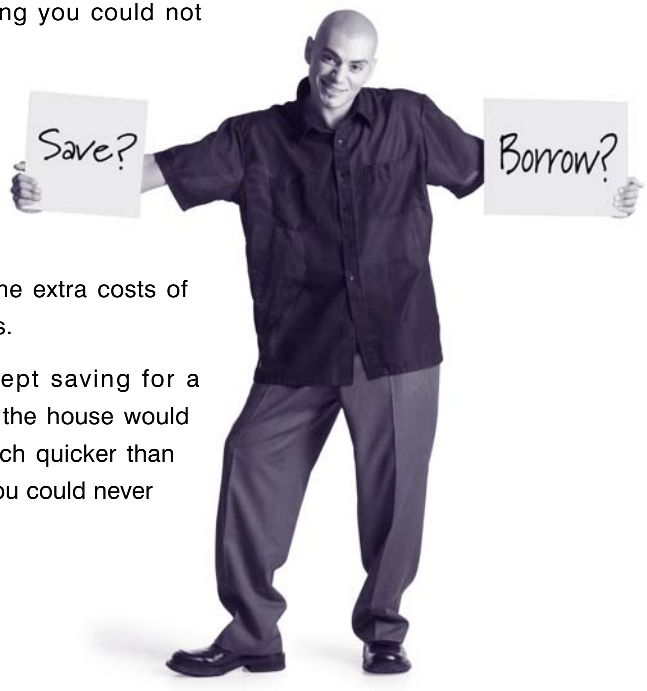
This is worked out as follows.
The fee is £100
The interest is:
(£5,000 + £100) x 8% x 5 (years) = £2,040
Total £2,140
Your monthly payments over five years (60 months) would be:
£5,000 + £2,140 ÷ 60 = £119
[£5000 (original loan) + £2,140 (fees and interest) ÷ 60 (months)]

Why take out a loan?

Like other forms of credit, a loan will help you to pay for something you could not otherwise afford.

Before taking up a loan, consider whether you could save up the amount you need and avoid paying the extra costs of interest and charges.

However, if you kept saving for a house, the price of the house would probably go up much quicker than your savings, and you could never afford it.



Different types of loans

Loans may be secured or unsecured.

Secured loans

Secured borrowing is when the lender has a 'legal charge' over some property of yours. This means that if you stop your repayments, they can possess that property and sell it to get their money back. So it is always important to remember with secured loans that the lender gets the security, not you!

Example – mortgages

A mortgage is a secured loan. The lender gives you the money to buy the house, but they have a legal charge over the house. If you cannot keep up repayments, and you cannot get money to repay the lender from any other source, the lender might have no choice but to repossess the house.

Unsecured loans

Unsecured borrowing is when the lender takes no security. The bank or finance company offers you a loan they think you are able to pay.

Example – a loan for a holiday

Your bank may be prepared to give you a loan for a holiday on the basis that you have a good credit record and normally you have enough income to fund its repayments.

How much does it cost to take a loan?

The cost of a loan consists of the total interest charged over the whole period of the loan, plus the charges or fees, (which you pay either at the beginning or the end). In the example on page 25, the cost of the loan was £2,140 on top of the £5,000 repaid, and this cost was spread over the five years of the loan.

Getting value for money

- Make sure you understand the interest rate **(APR)** and other charges associated with the loan before you decide to take it.
- Make sure you know how long the loan is for.
- Do not be afraid to shop around for a loan.
- Always make sure you compare like with like. For example, don't try to compare what the bank will charge you for an **overdraft** with what it will charge you for a loan.
- Similarly, interest rates on a long-term secured mortgage are going to be much lower than on a short-term crisis loan to someone with a previously bad credit history.

I want help and advice on managing my finances

Credit Action is a national charity which promotes better thinking about money. We produce a range of guides to help people achieve this.
Phone: 01522 699777
Websites: www.creditaction.org.uk
www.moneybasics.co.uk

The Consumer Credit Counselling Service gives free independent advice on handling debts.
Freephone: 0800 138 1111
Website: www.cccs.co.uk

Citizens Advice helps people sort out their legal, money and other problems by providing free information and advice.
Phone: 0207 833 2181 or look in your local phone directory.
Website: www.citizensadvice.org.uk

The National Debtline is a phone helpline for people with debt problems.
Phone: 0808 808 4000
Website: www.nationaldebtline.co.uk

Other credit products

Store cards

Store cards are a type of credit card. Many major shops offer these to their customers as a convenient way of buying goods in their stores. They often have offers attached, such as special discount offers for limited periods, to encourage you to spend more.

A store card:

- is another way of paying instead of cash, credit cards and so on;
- has a lower credit limit than a credit card; and
- can usually be used only at the shop that issued it.

Store cards work in a similar way to a credit card. You get a statement every month and you have to pay off at least the minimum payment.

Hire purchase and lease purchase

Under these arrangements, you buy an item (usually household goods or cars) and a **hire-purchase** company pays for the goods. You then sign an agreement to pay a set amount every month to the hire-purchase company.

The hire-purchase company is the legal owner of the item as long as you have an outstanding balance.

If you stop your repayments, the hire-purchase company can repossess the goods.

The interest charge is usually higher than on a mortgage or loan as the goods soon start to lose their value, so if the company had to take the goods back, they would get much less if they sold them.

'Buy now, pay later' offers

Under this option, a finance company agrees to provide the seller with the money for the goods until you start to pay.

You legally own the purchased item.

You should make sure you pay on time so that you do not have to pay extra interest.

Bank overdraft

The bank will allow you to draw out or pay more money than you have in your account (up to a limit they give you).

If you take your account over this limit, the bank will either contact you, or refuse to pay a **cheque** that takes your account over the limit. They may charge you for going over the limit.

Consolidated loans

A consolidated loan is a single loan that you would take out to pay off all your debts. So, instead of trying to pay off a number of debts, you would have just one consolidated loan to pay off.

In recent years these have become an increasingly popular way to try to get out of debt and are heavily advertised. They usually promise lower interest rates and lower monthly payments, but you need to beware.

First, debts can often be rescheduled over a much longer period so you pay a lot more interest and second, these loans are usually secured against your property. This means you could lose your house if you do not keep up with repayments.

You should get free and independent advice before making a decision about a consolidated loan.

Top 10 credit tips

Using a credit card, instant credit in a shop, catalogue shopping, using a store card – when it comes down to it, you're borrowing money.

If you're going to use credit, these 10 tips from the Office of Fair Trading will help you to borrow safely.

Can you afford it? Before you commit yourself, make sure you can really afford the repayments by making a budget – don't be talked into borrowing more than you want to.

Shop around for credit. The first thing you're offered may not be the best deal. There are many types of credit and many different rates on bank loans, credit cards, hire-purchase agreements and so on. Don't pay more than you need to – you wouldn't just buy the first television you found, credit should be no different.

Read the forms before you sign. If you don't understand them get help from a trading standards office or Citizens Advice. Once you sign, you can't change your mind if you signed on the trader's or lender's premises. If you signed anywhere else, you will have a short 'cooling off' period to change your mind.

Check exactly how much you'll pay back including interest and charges. Is it good value?

Compare the APRs. This is the easiest way to compare similar credit products – so if you're looking at credit cards for instance, go for the one with the lowest **APR**. Usually the lower the **APR** the less you pay in interest. Sometimes a low **APR** is only offered for a short period.

Watch out for other charges such as the lender's fees or fees to arrange the loan.

Look at the length of the loan, not just the monthly payment. The longer the loan period, the more interest you'll pay back.

Watch out for optional extras. Sometimes, for example, payment-protection insurance is included when you haven't asked for it. You don't have to take this up and it is often a bad deal. You wouldn't let your supermarket drop extra items into your basket, don't let your lender!

If you use your home as security for a loan and you don't keep up repayments, you could lose it.

If you act as a guarantor for someone else's loan, you will have to repay the debt if they don't.

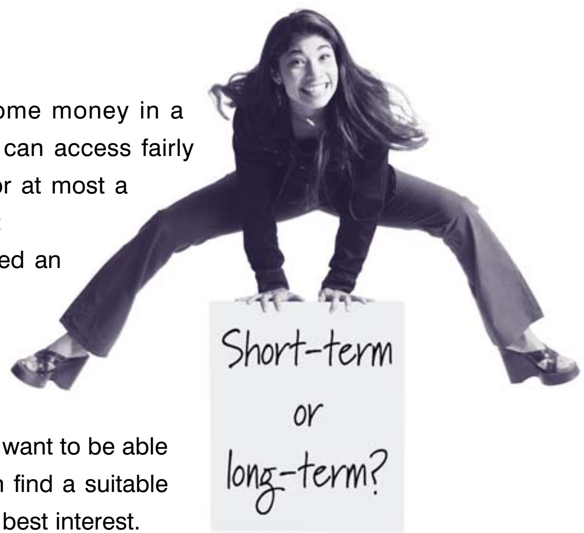
Investing

For our purposes, we will treat savings as putting money in an account like a savings or **deposit** account. The money is not at risk, and it earns interest at either a fixed rate or a variable rate.

Investing is putting money into company bonds and shares. These are known as 'securities'. There is always an element of risk involved since the **capital** (the money you invest) can decrease in value as well as increase. The investment earns a reward, generally dividends, related to the profits the company makes.

Savings options

Short-term savings



It is a good idea to keep some money in a **savings account** which you can access fairly easily with a week's notice, or at most a month. This money is useful if:

- your house or your car need an urgent repair; or
- you want to help out a member of your family in an emergency.

Decide how much money you want to be able to get hold of easily, and then find a suitable savings account that pays the best interest.

Long-term savings

You may be saving for a big purchase in the future. In this case you may decide to save in a fixed-term deposit account. Normally, the money in a fixed-term deposit account will pay better interest than a savings account, but you can't get hold of your money as quickly (unless you lose some interest).

Many people decide to place some of the money in a savings account for emergency situations and invest the rest.

Tax-efficient savings

National Savings Certificates

Some certificates pay a fixed interest and others increase in value in line with inflation. You don't have to pay tax on any money you make on your savings.

Individual Savings Accounts (ISAs)

- You can invest up to £7,000 a year in an **ISA** but only up to £3,000 can be in the form of cash deposits (that is, in a bank or building society account).
- The rest can be made up of any combination of cash, stocks and shares, unit trusts, life assurance and National Savings. There should be no risk involved with a cash **ISA**, but remember shares go down as well as up.
- There is usually no minimum 'lock in' period. You can cash in your **ISA** at any time.
- **ISAs** are tax-free.

Pensions

The government encourages people to save for their retirement by reducing the tax on the premiums they pay on personal pensions.

Friendly societies

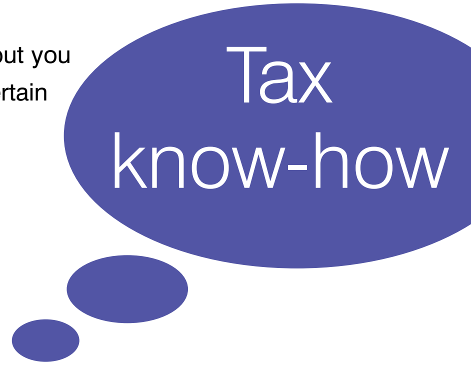
Friendly societies are allowed to issue 'tax-exempt life or endowment policies'. There is a limit of £25 a month (or £270 a year) on the premiums members can pay. However, all the gains are tax-free.

Employee share schemes

They are designed to encourage employee loyalty.

These schemes reward employees when, as a result of their work, the company performs well. They allow employees to save regularly and buy shares in the company at a discounted rate.

The gains on the shares are free from income tax but you have to pay **capital gains tax** on any gain over a certain amount.



Tax tips

Learn more about tax

You should arrange your finances so that you pay as little tax as possible.

Tax matters can seem very complicated and sometimes people think that they will never be able to understand them. You may feel like this if you have previously relied on a partner to deal with your finances. Yet with a little know-how, and help from the Inland Revenue, you can soon reduce the amount of tax you pay.

The Inland Revenue has a very useful website (www.inlandrevenue.gov.uk) and it also publishes a wide range of free leaflets which are easy to understand. Your local tax office will also be happy to answer any questions you may have (see your local phone book).

Check your tax code

A booklet 'Understanding your Tax Code' is available from the Inland Revenue. This guide will help you to understand your coding notice and check that your tax code includes the correct personal allowance.

Claim your allowances

Make sure that you are using all relevant allowances. You can find out details from your tax office or the Inland Revenue website.

Save tax efficiently

Review your savings and investments to make sure that you are making the most of any tax-free products and accounts, such as **Individual Savings Accounts (ISAs)** and certain National Savings products, including savings certificates and Premium Bonds.

Bank and building society accounts

Interest from bank and building society accounts has had basic-rate income tax deducted when it is paid to you (you will have to pay more tax if you are a higher-rate taxpayer). If you don’t pay tax, you can ask for interest to be paid gross (before tax has been deducted) by filling in a form R85 available from your bank or building society branch. You can reclaim tax already deducted by filling in form R40 available from your tax office.

Sending tax returns on time

If you need to fill in a tax return, make sure that you do so before the deadline so you avoid fines and penalties. The tax return is sent out in April each year and the deadline is either 30 September or 31 January the following year (depending on whether you let the taxman work out your tax or you do it yourself).

Further information

Inland Revenue
Phone: see the phone book for your local tax office
Website: www.inlandrevenue.gov.uk

National Savings and Investments
Phone: 0845 964 5000
Website: www.nsandi.com

Credit Action
Website: www.moneybasics.co.uk

Insurance

The whole purpose of insurance is to protect you financially if things go wrong such as natural disasters, a car crash, illness and so on.

Insurance provides financial protection against losses. To provide this protection, an insurance company charges you a premium. For example, if your house burnt down and you have insurance, you can claim all or part of the full value of the house (depending on your insurance policy) from the insurance company.

If you are not sure about whether you can afford to pay for insurance, ask yourself instead ‘How would I cope without insurance?’

Types of insurance

Home insurance

It is wise to insure your home (the building) against fire, flooding, and damage.

If you have a mortgage, the lender will require you to insure your home at least to cover the loan outstanding.

Contents insurance covers your home contents against damage, fire, flooding and theft.

Car insurance

You must have third-party insurance by law. This covers the damage you may do to another vehicle in an accident where you are liable. However, it does not cover any damage to your own car.

Comprehensive insurance protects the current market value of your car against loss by theft and damage by fire or accident.

Car insurance usually has a ‘no claim’ bonus. Your premium will be cheaper if you have not made a claim in the past few years.

Personal accident and sickness insurance

You may insure yourself against accidents and sickness. The insurance company will pay the difference between the state benefit and what you would have earned while off work.

Health insurance

This covers you for treatment in private hospitals, or for other private medical treatment. It can include things like dental and optical (eye) care.

Pet insurance

Vets' bills are not cheap and pet insurance will cover at least some of these expenses.

Travel insurance

This covers risks such as losing your luggage and the cost of medical care while abroad.

Life assurance

The basic cover here is for a lump sum to be paid on your death. This is very important if you have dependants.

A 'term policy' offers similar cover, but for a limited period only. This is often done when you take out a mortgage to make sure that money will be available to repay the mortgage if the main earner dies.

An endowment policy combines life cover with savings, so that if you die before a certain age, your dependants will get the sum assured, but if you survive to that age, you will get the sum.

How do I apply for insurance?

Contact the insurance companies directly. Remember to shop around for the best deal.

Contact insurance brokers who can help you to find an insurance policy that would meet your needs.

Ask your bank for advice.

Getting value for money

Assessing your claims history or your risk factor can reduce the premium. For example, you may get a reduction if you:

- have not made a claim within a certain period of time;
- install security equipment at your property; and
- agree to insure with the same company for a number of years.

Further information

Association of British Insurers
Website: www.abi.org.uk

Financial jargon buster

Account balance The exact amount of money in an account.
Annual equivalent rate (AER) Used to compare interest rates on **savings accounts**. Usually the higher the rate, the better.
Annual percentage rate (APR) The actual yearly cost of a **loan**, including interest and charges. Usually the lower the rate, the better.
Assets Things that are owned such as cars, property and money.
Automated teller machine (ATM) Better known as 'cashpoints' or a 'hole in the wall' and used by bank customers to withdraw money and do certain other transactions.
Bank statement A document sent to customers by the bank listing the transactions (money in and out) on an account – usually sent monthly.
Bankruptcy A process of legally declaring a person cannot repay their debts, and providing protection for the debtor (the person who owes money).
Bouncing a cheque The process by which a bank refuses to pay a cheque because there isn't enough money in the customer's account.
Budget A financial plan drawn up for an individual, a family, a business or a government. It is usually for a period of a month or a year, but can be for longer.
Capital The total of a person's or a business's assets, less their **liabilities**.
Capital gain Profit made on an asset. For example, if you sell a house for more than you paid for it, the difference is a capital gain.
Capital gains tax A tax on capital gains.
Charge card Similar to a credit card, but the holder has to pay off the balance in full every month.
Cheque A written order instructing a bank to pay a specific amount to a named person. A cheque must be dated and signed.
Cheque guarantee card A card issued by a bank, guaranteeing payment up to a set limit. If you pay by **cheque**, you will be asked to show this card.
Cleared funds When you pay an amount into your bank, it may take a few days to be 'cleared'. You cannot use the money until it has gone through this process.
Collateral Something owned by a borrower that a lender has a right to take possession of if the borrower defaults on payment (stops making repayments).
Compound interest Interest paid or received on both the original amount of a loan or investment, and on any interest which is added to the loan or investment.
Cost of loan The total cost of a **loan** – includes interest plus all charges, fees and so on.

Credit Money to buy goods or services that the lender will pay back in the future.
Credit card A card used to borrow money or to pay for purchases. The card allows the cardholder **credit** which they can repay monthly.
Credit history A record of **credit** someone has had in the past.
Credit limit The maximum amount allowed to be used on a **credit card**.
Credit rating An assessment of someone's ability to pay debts based on their history and current **assets**.
Credit reference agency An organisation that collects information on people's **credit history**, and reports to prospective lenders.
Creditor A person or business money is owed to.
Current account A bank account which allows a customer to deposit money and withdraw money, by cash, **cheque**, **standing order** or **direct debit**.
Debit Any transaction that reduces the balance in a bank account.
Debit card A card issued by a bank. Used in a similar way to **credit cards**, but the amount is taken from the bank account immediately.

Debt Money owed to another person or business.
Deposit To put money into a bank account – can be done by paying in cash or **cheques** over the counter, or by direct deposit, for example, from an employer. A deposit can also be an amount which is laid down on an item to demonstrate the intention to fully purchase the item later – for example the deposit on a house.
Direct debit A form of payment agreed by a bank account holder, which authorises a creditor to withdraw sums from their bank account. Often used to pay gas and electricity charges for example.
Equity The financial difference between the market value of an **asset** and the amount of **loan** or mortgage still outstanding on it. Usually applied to home ownership.
Financial planning The process of setting financial goals, and producing plans (for example, **budgets**) to achieve those goals.
Gross income The full amount of money earned (that is, before any deductions such as tax).

Hire purchase A form of **credit** involving a down payment followed by regular monthly payments. Until the payments are finished, the goods belong to the credit company, and the user is hiring them from that company.
Income Amount of money received or earned over a period of time.
Income tax A tax on personal income. Usually deducted directly from wage.
Individual Savings Account (ISA) A form of saving and investing with tax advantages.
Individual voluntary arrangement (IVA) An alternative to **bankruptcy**. It is an agreement between a debtor and their creditors to pay them off over a period of time.
Insurance A business contract (known as a policy) in which the insurer promises to pay certain amounts if certain events, such as theft or accidents happen. The cost of this is called the premium.
Interest Money that you earn on money you keep in a bank account, or money you pay for borrowing money.
Interest rate The amount of **interest** paid or charged (given as a percentage).
Liabilities Debts.
Loan An agreement between a lender and a borrower. The borrower agrees to repay the money borrowed over a period of time – with or without **interest**.
Minimum balance The smallest amount of money you can have in a bank account, for example.
Minimum payment The smallest amount you can pay towards money you owe on a **credit card**. It is stated on your monthly statement.
Mortgage A **loan** to finance buying a house, with that house given as security for the loan.
Net income The amount of income after all deductions (for example, tax and National Insurance). Also called **'take-home pay'**.
Ombudsman An official who investigates citizens' complaints against the Government or its servants.
Online banking A service which allows you to operate a bank account over the internet.
Overdraft An arrangement with a bank which allows customers to withdraw more funds from a current account than they have in the account. It is a form of lending.
Personal identification number (PIN) Numbers which allow you to access information or money, from **ATMs** for example. You should never tell anyone else your PIN number.
Repossession A legal process which involves a lender taking possession of a property which has been pledged as security for a **loan**, or a **hire-purchase** company taking possession of the goods, when repayments haven't been made.

Savings account A bank account which pays **interest**. It is not designed as a day-to-day bank account.

Secured loan and credit A **loan** with property or other **assets** as security.

Sort code A six-digit number printed on your **cheque** that identifies your bank and the branch.

Standing order A regular (usually monthly) payment made by the bank on your behalf. Unlike **direct debits**, the amount cannot be changed unless you tell the bank.

Store card A store card works like a **credit card**, but can only be used in the store that issued it.

Take-home pay See **'net income'**.

Telephone banking Carrying out transactions on your bank account over the phone.

Term The period over which a **loan** is scheduled to be repaid or an investment runs.

Unpaid balance The amount still owing on an account.

Unsecured loan and credit A **loan** not backed up by **collateral** or guarantee of any sort.

Utilities Services such as gas, electricity and phone.

Withdrawal Taking money out of your bank account.

Helpful organisations

I want someone to talk to

Your nearest local help

You can call Credit Action, the national money education charity, on 01522 699777. We may also be able to suggest other local alternatives.

There are Citizens Advice Bureaux in all local communities. They provide free and confidential help on all aspects of life. To find your nearest bureau and their contact number, go to your local phone book or visit their website www.citizensadvice.org.uk

Debt counselling and money advice

Credit Action
We are the national money education charity promoting better thinking about money. We produce a range of guides to help people to achieve this.
Phone: 01522 699777
Websites: www.creditaction.org.uk
www.moneybasics.co.uk

Consumer Credit Counselling Service (CCCS)
As the leading debt-counselling charity, CCCS provides free and confidential advice on debt issues.
Phone: 0800 138 1111
Website: www.cccs.co.uk

National Debt Line
Offers free debt counselling over the phone.
Phone: 0808 808 4000
Website: www.nationaldebtline.co.uk

Debt Advice Bureau
Offers free on-line debt help.
Website: www.debtadvicebureau.org.uk

The Bankruptcy Association
Offers help to all those considering or going through **bankruptcy**.
Phone: 01524 64305
Website: www.theba.org.uk

Credit cards

Chip and PIN

Internet site explaining how the security measures on credit cards work.
Website: www.chipandpin.co.uk

Insurance

Association of British Insurers
The organisation to which all leading insurers belong.
Phone: 0207 600 3333
Website: www.abi.org.uk

Owning a car

The AA
Information about cars and motor vehicles from guides and advice to finance.
Phone: 0870 600 0371
Website: www.theaa.com

The RAC
Anything to do with cars.
Phone: 08705 722 722
Website: www.rac.co.uk

Drivers and Vehicle Licensing Authority
A site that helps with licensing vehicles.
Phone: 0870 240 0009
Website: www.dvla.gov.uk

Owning a house

Royal Institute of Chartered Surveyors
For help finding a surveyor.
Phone: 0870 333 1600
Website: www.rics.org

Other useful sites

Department for Work and Pensions
Government department with all sorts of information on jobs, pensions and benefits.
Phone: 0845 6060 265 (pensions)
Website: www.dwp.gov.uk

Office of Fair Trading
Government body protecting the rights of consumers.
Phone: 08454 04 05 06 (Consumer Direct)
Website: www.oft.gov.uk

Consumer Direct
Help and advice for consumers in Great Britain.
Phone: 08454 04 05 06
Website: www.consumerdirect.gov.uk

The Financial Services Authority
Government body helping consumers get a fair deal.
Phone: 0207 066 1000
Websites: www.fsa.gov.uk & www.moneymadeclear.fsa.gov.uk

Social Fund
Government Fund to financially assist those in most need.
Phone: 0845 6088538 or for a crisis loan 0800 0328352

Student support

Student Loans Company
For help in processing student loans
Phone: 0800 405010
Website: www.slc.co.uk

Support 4 Learning
Internet-based resources for all types of learning with links to websites which can help you learn more about how to manage your money.
Website: www.support4learning.com

Aim Higher
Internet site helpful to all those considering higher education.
Website: www.aimhigher.ac.uk

Department for Education and Skills
Government department responsible for all aspects of education.
Phone: 0870 00 2288
Website: www.dfes.gov.uk

National Union of Students
Guides, advice, facts and resources about studying in the UK.
Phone: 0871 221 8221
Website: www.nusonline.co.uk

Children

Raising Kids
This site covers all aspects of raising children.
Phone: 0208 883 8621
Website: www.raisingkids.co.uk

Parents, Pennies and Pounds
Internet site helping parents and children handle money.
Phone: 0800 652 0775
Website: www.moneystuff.co.uk

Saving for Children
Internet site showing the different ways that children can save money.
Website: www.savingforchildren.co.uk

Child Support Agency
Government body that deals with all issues relating to child support.
Phone: 08457 133133
Website: www.csa.gov.uk

Credit reference

Experian
For details of your credit history.
Phone: 0800 656 9000
Website: www.experian.co.uk

Equifax
For details of your credit history.
Website: www.equifax.co.uk

Check My File
Internet site that helps you check your credit history online for a fee.
Website: www.checkmyfile.com

Credit Expert
Internet site that helps you check your credit history online for a fee.
Website: www.creditexpert.co.uk

Tax and accounts

Inland Revenue
The government body responsible for all aspects of taxation.
Phone: see your local book
Website: www.inlandrevenue.gov.uk

Chartered Accountants Directory
A site that helps you find a local accountant.
Website: www.chartered-accountants.co.uk

Chartered Association of Certified Accountants
A site that helps you find a local accountant.
Website: www.acca.org.uk

Savings

National Savings and Investments
For all government savings products.
Phone: 0845 964 5000
Website: www.nsandi.com

Notes