



Loans and Credit

There will be times when you want/need something and don't have the money. You will need to choose whether to save up for the item, or buy it on credit/take out a loan.

Examples of credit: Credit cards, store cards, catalogues, BrightHouse
Don't rush your decision...

1. Think about it

- Do you really need this item? Will you use it?
- Can you wait until you've saved up for it?
- Can you get it cheaper elsewhere, or buy second hand?

2. What will it cost?

- Can you afford the repayments?
- What will happen if you miss a payment?
- How much is the interest charge? How much will you repay in total?






NOTE: The longer you have credit for, the more you will repay in total. Repay as much as you can afford to each month to clear your debt asap.

3. Take some time to think it over, and shop around

- Think it over. Don't be rushed by the salesperson
- Read the small print (terms and conditions)
- Can you get a better deal somewhere else?



Examples - is it worth it? Can you get a better deal elsewhere?

 <p>Personal Loan for a car</p> <p>£1000 over 2 years</p> <p>20.6% APR</p> <p>Monthly payment: £50.37</p> <p>Total amount repayable: £1208.88</p>	 <p>Corner sofa £921.26</p> <p>Price including delivery & installation £981.26</p> <p>69.9% APR</p> <p>Weekly payment: £12.50 for 156 weeks</p> <p>Total amount repayable: £1950.00</p>	 <p>Trainers purchased online</p> <p>Nike Air Max 97 Cash price £140</p> <p>Buy now, pay next month with Klarna</p> <p>No interest or fees</p>
 <p>Apple iPhone 8 Online offer with O2</p> <p>15GB data, unlimited calls and texts</p> <p>£99.99 upfront cost</p> <p>£40 per month for 24 months</p> <p>Total amount paid: £1059.99</p>	 <p>Emergency loan to pay for electricity 7 days before payday</p> <p>£50 borrowed for 7 days Interest paid £12</p> <p>Total amount repayable: £62</p> <p>1509% APR</p>	<p>NEW LOOK</p> <p>Clothing for job interview</p> <p>Suit, shirt and shoes £110.96</p> <p>Repay over 3 months interest free</p> <p>£12 late payment fee</p> <p>28.9% APR if not repaid within 3 months</p>