

Mobile phone contracts VS Pay-as-you-go (PAYG)



	Contract	PAYG
Choice of phone	<p>You pay for your phone over the term of the contract, within the monthly cost</p> <p>There might be an upfront cost for the phone, especially if you're choosing a premium model</p>	<p>Whatever you can afford at the time as you need to buy the phone before you can use it</p>
Calls, texts and data	<p>You will pay a fixed amount each month, over an agreed period of time (typically 2 years). This will give you a set limit each month of call minutes, texts and mobile data</p> <p>You can usually pay extra if you run out during the month</p>	<p>You buy a PAYG sim for £1</p> <p>You can buy credit vouchers at local convenience stores/supermarkets, or you can set up an account with the service provider and pay them directly.</p> <p>The cheapest way to pay is to choose a monthly "bundle" of calls, texts and data. You often get rewarded with extra data after a few months, and some providers will add any unused data to the next month's allowance.</p>
What if I can't afford it later?	<p>You cannot cancel your contract and your phone provider will pursue you for unpaid money</p>	<p>You can cancel your PAYG at any time, so you are also free to change service provider if you are unhappy</p>