

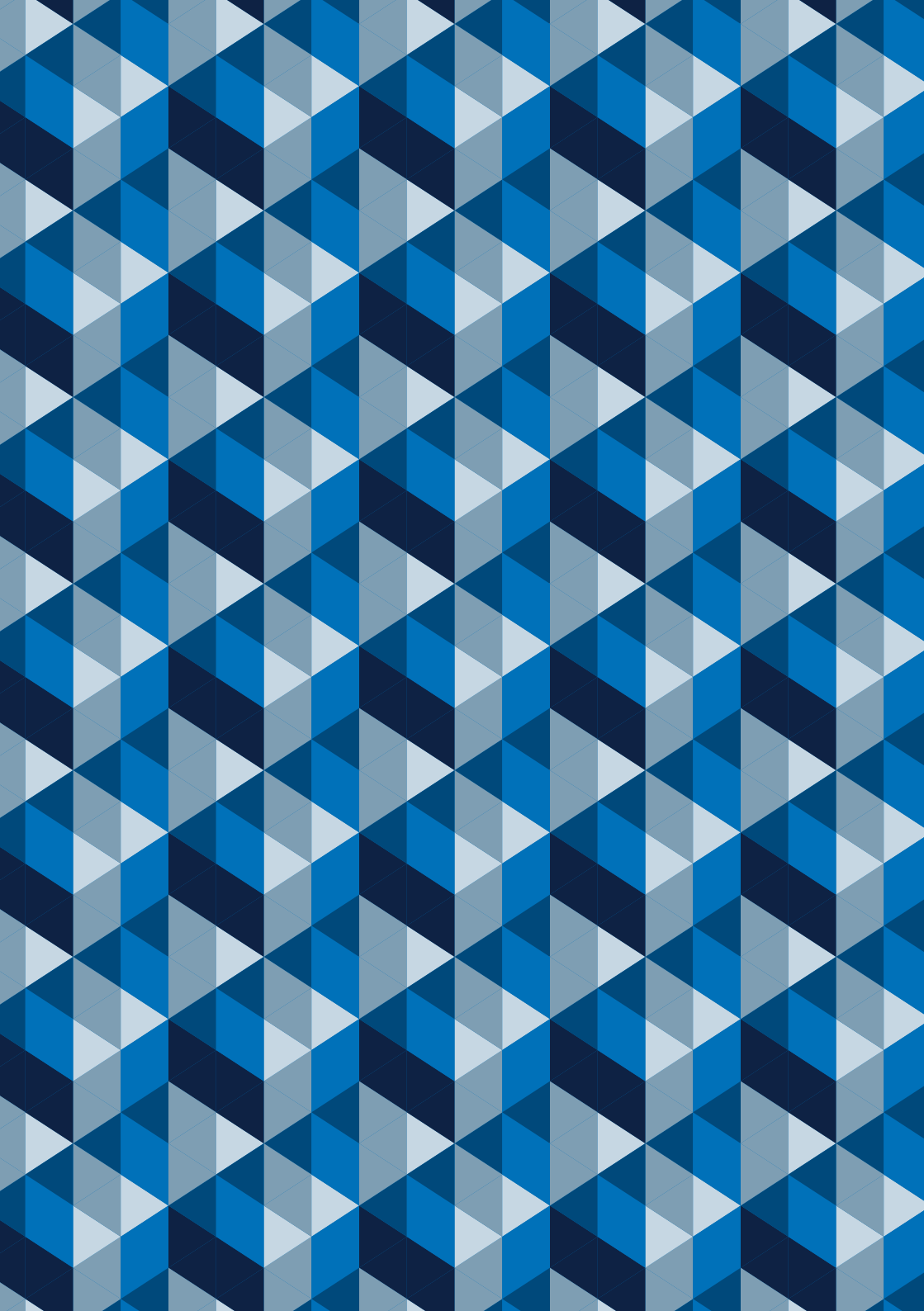
Your Money



Because good homes
make everything possible



**Network
Homes**



Contents

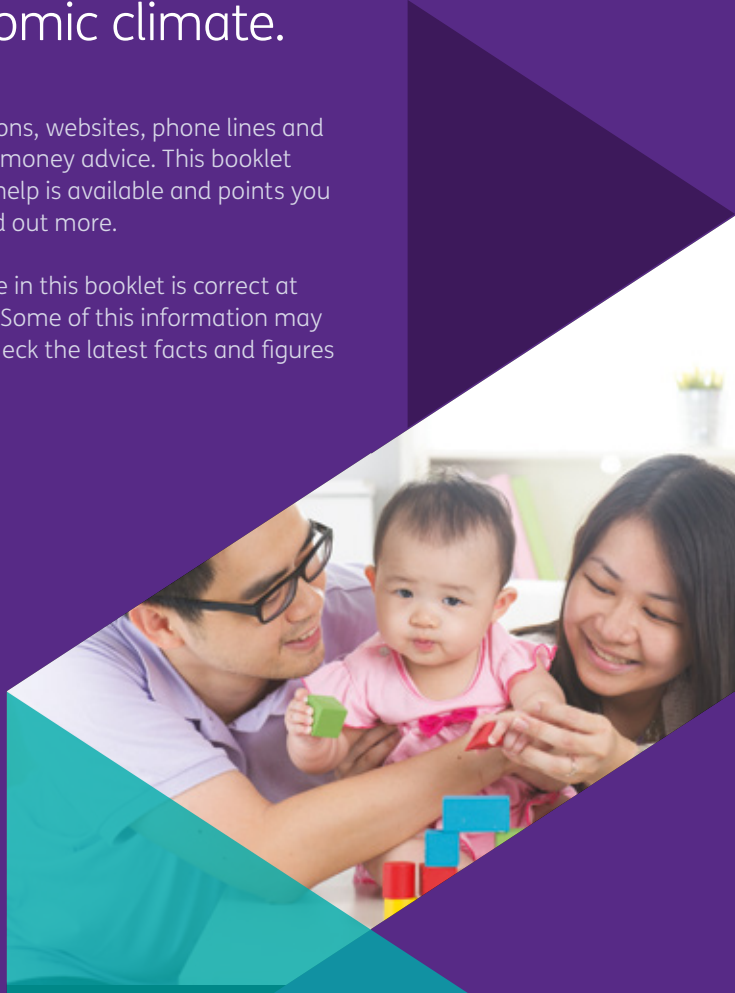
05	Bank accounts	11	Annual Percentage Rate (APR)
05	Current accounts	12	Poor credit histories
06	How to open a bank account	12	Improving your credit rating
07	What is a Credit Union?	13	Managing your bills
07	How to open a Credit Union account	14	Pay bills by Direct Debit
08	Dealing with debt	15	Useful money saving websites
08	Priority debts	16	Access to benefits
08	Setting a budget	17	Jargon buster
11	Loans and credit	18	Budget sheet

Getting started

At Network Homes we know that many of our residents are on low incomes or benefits and that managing money can be difficult in today's economic climate.

There are many organisations, websites, phone lines and leaflets that offer detailed money advice. This booklet gives you an idea of what help is available and points you in the right direction to find out more.

The information and advice in this booklet is correct at the time of going to press. Some of this information may change over time, so do check the latest facts and figures over the phone and online.



Bank accounts

Getting a bank account

With some local post offices closing down, more people are opening bank accounts so that their wages, benefits, tax credits and pensions can be paid into them. There are many different types of bank account but a basic account is probably your best option if you haven't dealt with a bank before.

30,000 basic accounts are set up each month.

Basic accounts

A basic account allows you to:

- receive money
- pay bills
- have a cash card to withdraw money from a cash machine
- set up Direct Debits.

A basic account won't let you take out more money than you have.

Current accounts

A current account offers the same things as a basic account as well as:

- a debit card, that can pay for goods and services
- if you have enough money in your account it will allow you to set up standing orders to pay regular bills
- a cheque book and cheque guarantee card
- an authorised overdraft facility.

It might also pay you interest and some current accounts let you send money abroad or cash foreign cheques, but usually for a fee.

Bank accounts

How to open a bank account

Bank staff are friendly, well-informed and happy to help. There has been a lot in the media in recent years about banks getting into trouble. If you choose one of the UK based high street banks your money will be safe. It's always best to choose a bank that has branches near where you live or work.

If you have the internet, the main high street banks have websites where you can apply online, or get the necessary details to apply by post or by telephone.

Most banks have central phone numbers for enquiries and security information will always need to be confirmed before you are connected. When calling the bank, it is best to have with you the branch sort code and your account number. You may also be asked for your date of birth. If you have the internet, the main high street banks have websites where you can apply online, or get the necessary details to apply by post or by phone.

Three steps to opening a bank account:

1. Make an appointment to speak to an advisor (very often you can speak to someone there and then).
2. Tell them what you need and they will suggest the bank account best for you.
3. They will fill out all the paperwork with you, but you must take along identification to prove your name and address. A passport or driving licence is best, but if you don't have either of these the bank will accept a letter from a government department or local council confirming your entitlement to benefits. All letters should be less than three months old.

Tip > Ask if you can do your banking safely and securely over the phone. This is very useful if you want to check your account balance, transfer money between accounts, pay bills or set up standing orders.



Credit Unions

What is a Credit Union?

- Credit Unions are financial organisations owned and controlled by their members.
- They welcome new, irregular savers and people with poor credit histories.
- They can give you advice about money and also help you with responsible savings and lending.
- They are regulated in the same way as banks and have insurance policies to protect against fraud.

Credit Unions are usually set up for particular groups of people. This often means they are aimed at people living or working in a certain area, working for the same employer, or belonging to a particular organisation, such as a church. So you need to check that you fit their criteria.

Tip › For more information, or to find out where your nearest Credit Union is based, contact the Association of British Credit Unions Ltd (ABCUL) on **0161 832 3694**, email **info@abcul.org** or visit **www.abcul.org**



How are they different from banks?

- They are run by their own members who are often working as volunteers
- They help people manage their finances themselves
- They are not-for-profit organisations
- They repay any profits that are made to their members
- They usually offer free life assurance to cover a loan
- They insist that only members can save or borrow.

How to open a Credit Union account

You'll need to prove your name and address. If you don't have a passport or driving licence the Credit Union should accept a letter from a government department or local council confirming your entitlement to benefits. All letters should be less than three months old.

Accounts can only be opened at a Credit Union office by completing an application form and showing your identification.

Dealing with debt

Millions of people in Britain have huge debts due to a combination of low incomes or overspending. If you are in debt, these are important 'dos' and 'don'ts'.

Dos

- Do get professional advice.
- Do make a list of everyone you owe money to and let them know that you are having problems. You might be able to come to an agreement with them (such as paying in instalments, or paying smaller instalments over a longer period of time).
- Do pay the most important debts first.

Don'ts

- Don't ignore the problem or try to hide debts; things will just get worse.
- Don't just borrow more money to repay debts.

Priority debts

These are debts that can result in you losing your home, being sent to prison or losing essential goods and services. The priority of a debt does not depend on the amount of the debt, amount of arrears or the number of threatening letters you have received.

The following debts should all be priorities:

- rent, service charges and mortgage
- council tax
- gas and electricity bills
- maintenance and child support
- fines (especially court fines)
- TV licence.

Setting a budget

Setting a budget is the simplest way of keeping your finances in check.

The first thing to do is to write down what you get paid each week or month. Only include guaranteed income so that you are not relying on money coming in that you might not get. The next job is to write a list of everything you need to pay out.

Things to consider include:

- council tax / fines / child maintenance
- rent, mortgage, service charges etc
- gas/electricity bills
- water bills
- TV licence
- food
- telephone/mobile bills
- insurance payments
- travel / car (including MOT, tax, insurance, petrol)
- credit card / loans

Some of these expenses will be things that you pay for once a year, so divide the amount by 52 or 12 depending on whether you are doing your budget weekly or monthly.

You should also note down smaller expenses that can all add up, for example: newspapers, snacks, lottery tickets, children's pocket money, after school clubs, weekend outings, church subscriptions.

Budget some money for fun things as well, like eating out, music, films, socialising and clothes. Be honest about how much you spend – enjoying yourself isn't a crime so long as you can afford it.

It's also a very good idea to set aside some money which you can save. It's important to have savings for things like Christmas and birthdays, large electrical items, new furniture, or even for emergency spending.

Once you've finished your budget you will hopefully see that you spend less than you earn.

For the next few months write down a list of what you actually spend – it will probably be a bit more than the budget you worked out.

If you are spending more than you earn you will need to look at reducing the amount of money you spend on non-essential things, or whether you can increase your income.

Tip > Setting up Direct Debits for regular bills means that your bills are always paid on time which can prevent unnecessary charges being added to them. If you do not have enough money in your account to pay your Direct Debit your bank may charge you.

Debt advice

PayPlan is a company we work with to make sure you get free, impartial, tailored advice. Go to Network Homes' website www.networkhomes.org.uk for more information or call free on **0800 716 239** or visit www.payplan.com.

For debt information and advice try the National Debtline on **0808 808 4000** Monday to Friday 9am–9pm and Saturday 9.30am–1pm or visit www.nationaldebtline.org

The Step Change on **0800 138 1111** can also give you advice. Step Change Debt Charity on **0800 138 1111** can also give you advice. You can visit their website at www.stepchange.org.

Don't forget as a resident you can also always speak to a member of our specialist Welfare Advice team who will be happy to help.

Just call **0300 373 3000** and ask to speak to a Welfare Advisor or email WelfareAdvisors@networkhomes.org

Did you know?

The average household debt is over £47,000 (including mortgage)



Loans and credit

Choosing the right loan

If you want a personal loan, it is vital to shop around. Searching online is a good idea as many internet only lenders offer the cheapest rates. There are many price comparison websites so it's worth researching them to find the best one for you. If you are not on the internet, visit the high street banks or look in the national newspapers to compare their offers.

You should only ever deal with lenders based in Britain who are properly regulated; don't be tempted to borrow money from a doorstep lender or loan shark. They will end up costing you much more in repayments. Check with The Financial Conduct Authority on freephone **0800 111 6768** Monday to Friday 8am–6pm, Saturday 9am–1pm, or go to **www.fca.org.uk**

Annual Percentage Rate (APR)

Before taking out a loan, make sure you find out what the Annual Percentage Rate (APR) is. This APR is interest – the extra charge you repay to the lender on top of your loan. If the APR is high you will be paying back much more money than you borrow. Many lenders advertise low APR to attract customers, but always check the small print or get independent advice to check it's the best deal for you, as there is often information that can affect your final decision.

You should only ever deal with lenders based in Britain who are properly regulated...

Loans and credit

Poor credit histories

If you have had previous problems paying off credit cards or loans you might have a County Court Judgement (CCJ) against you. This may mean a lender turns you down for credit, or only offers credit with a very high APR, but having a CCJ does not mean you will never get credit again.

You are entitled to get a copy of your credit rating file, to flag up any debt problems. These are available from organisations such as Experian (call **0344 481 8000** or **www.experian.co.uk**), Equifax (**www.equifax.co.uk**) or Callcredit (**www.callcredit.co.uk**). Please be aware you may be charged for receiving a copy of your credit file.

Improving your credit rating

You can improve your credit rating by:

- paying bills on time, clearing debts and cutting back on using credit/store cards
- avoiding going to credit repair companies that claim to offer quick-fix solutions – there aren't any
- trying to avoid going to lots of different lenders as they all carry out a credit check and this leaves a mark on your record. If lenders see lots of marks, they believe you may have financial problems.

Credit cards allow you to 'buy now and pay later'...

- ✓ Only use them if you can afford to pay back what you spend each month.
- ✓ Use one or two credit cards, no more.
- ✓ Shop around for the lowest fees and interest rates.
- ✓ Ask yourself if you really need the things you are buying.
- ✓ Ensure that monthly debt payments are never over 20% of your monthly income.
- ✓ Store cards often give instant discounts but if you don't repay in full each month average interest rates can be as high as a whopping 25% – even higher than most credit cards.



Managing your bills

Coping with the cost of rising energy bills

Energy bills are a major expense. There are things you can do to reduce the amount of energy you use and the amount of money you pay.

Keeping warm is very important, especially if you are older or have young children, so you still need to heat your home, but try to waste less fuel.

- Simple things like switching off lights or electrical appliances when they are not needed will save you money.
- Unplug your mobile phone once it is fully charged.
- Reducing your room temperature by just 1°C could take up to 10% off your annual fuel bill.
- Draw the curtains at night and use draught excluders to stop heat escaping.
- Only boil as much water as you need and put lids on pans to trap heat.
- Don't leave taps running when you are not using them, especially if your water is metered.

You could also try to reduce the price you pay by switching energy supplier or changing tariff. If you are struggling with fuel and water bills

Speak to one of our Welfare Advisors who may be able to help.

Energy companies give the best deals to new customers. A great place to check the best deal for you is online at: **www.uswitch.com** or **www.theenergystore.com** or call the Energy Shop on **0845 330 7247** (Monday to Friday 9am–6pm) for a free quote.

Some energy companies offer discounts to pensioners, single people, people with disabilities and other groups, so don't forget to let them know about your particular circumstances. If you don't ask they probably won't offer.

If you have a bank account you will probably make savings if you pay by Direct Debit. The energy companies can help set this up for you.

If you have the internet, you can often get better deals by setting up an 'internet only' account with your energy supplier.

You can get free, independent and local energy saving advice by calling the Energy Saving Trust on **0300 123 1234** or visiting **www.energysavingtrust.org.uk**. You can also email **energy-advice@est.org.uk**.

Managing your bills

Organising bills

Nobody likes to wake up and find a pile of bills sitting on the doormat. Being organised will help you pay them on time and stay out of debt.

Pay bills by Direct Debit

If you have a bank account, the best way to manage your bills is to pay them by Direct Debit. When you set up a Direct Debit, choose a payment date when you know you are going to have money in your account, such as just after pay day, to avoid fines for being overdrawn without permission.

Most bills for goods and services can now be paid by Direct Debit and this way the money you owe for things like your council tax, television license, gas and electricity bills will automatically be taken from your bank account each month.

Many companies give discounts to customers who pay by Direct Debit and you could save hundreds of pounds.

Note: If you do not have enough money to pay your Direct Debit, your bank may charge you.

If you have the internet you can often choose to have ‘paperless billing’, which means the company doesn’t send you anything through the post. Instead, they will contact you by email and you can check your account online whenever you like.

Tip > Switch to paperless billing, and some suppliers will reduce your bills.

What if I haven’t got a bank account?

You will need a bank account to pay bills by Direct Debit, and it’s easy to open one as there is something suitable for everybody. See pages 5 and 6 for details.

Am I protected if a payment is wrongly made?

Yes. Every company offering Direct Debit payment must follow strict rules and tell you what the payment amounts are and when they will be collected. They also have to tell you about any changes in writing.

If an incorrect payment is ever collected there are laws in place to make sure you get the money back.

Useful money saving websites

www.moneysupermarket.com

allows you to compare products and services to find the best deal.

www.lastminute.com

is a one-stop shop for the best deals on flights, hotels, holiday packages, restaurants or days out.

www.myvoucherCodes.co.uk

offer big discounts on goods and services with online voucher codes and promotional coupons.

www.moneysavingexpert.com

offers advice on getting the most from banks, tips to reduce bills, advice on reclaiming money, and savings on shopping.

www.gumtree.com

is devoted to classified advertisements for great deals on everything from cars and property to furniture and computer equipment.

www.citizensadvice.org.uk

is the online Citizens Advice service that provides help and information on a range of topics including benefits and housing, employment rights and discrimination, debt and tax issues.

www.uswitch.com

helps you find the deal that's right for you on goods and services and help you switch.

www.ebay.co.uk

is a useful online auction website. You can pick up bargains and have them delivered straight to your door.

www.freecycle.org

is a website where you can join local groups where people offer free unwanted goods.

Access to benefits

Please call **0300 373 000** and ask for our specialist Welfare Advice team if you need help to get money that could be available to you.

Some other useful contacts:

Job Centre Plus

www.gov.uk/contact-jobcentre-plus for the best number to call.

Child Benefit

enquiry line – call **0300 200 3100**
Mon to Fri 8am – 8pm and Saturday
8am- 4pm or visit **[www.gov.uk/
pension-credit/how-to-claim](http://www.gov.uk/pension-credit/how-to-claim)**

Pension Credit Claim Line

Call **0800 99 1234** Mon to Fri 8am –
6pm or visit **[www.gov.uk/pension-
credit/how-to-claim](http://www.gov.uk/pension-credit/how-to-claim)**.

Disability Benefits Enquiries

www.gov.uk/browse/disabilities

Tax Credits Helpline

To find out if you are eligible or to
make a claim call **0345 300 3900**
seven days a week 8am – 8pm
**[www.gov.uk/government/
organisations/hm-revenue-
customs/contact/tax-credits-
enquiries](http://www.gov.uk/government/organisations/hm-revenue-customs/contact/tax-credits-enquiries)**

Winter Fuel Payments Helpline

If you are over 60 you could
get money to help pay the fuel bills
during cold weather.

Call **03459 15 15 15 (textphone
0345 606 0285)** Mon to Fri
8am – 6pm.

Age UK information Line

0800 678 1174

Veterans UK Helpline

Help and advice for members of
the UK Armed Forces and veterans.

Call **0808 1914 218** Mon to Fri
8am – 5pm or visit **[www.gov.uk/
government/organisations/
veterans-uk](http://www.gov.uk/government/organisations/veterans-uk)**.

Citizens Advice

www.citizensadvice.org.uk
for free, independent, confidential
and impartial advice.

Jargon buster

Available balance – the amount of money available in a bank account that you can withdraw or spend immediately.

Current balance – the actual balance in your account at the beginning of a business day. It would not include any transactions during that day.

Credit – either a payment into your account, or a positive balance on your account.

Credit card – a card to pay for goods and services which you don't have to pay off straight away, but interest is charged.

Credit check – a search into your borrowing record, also known as your credit history.

Credit rating – a score which all adults are given on the basis of their credit/borrowing history.

Debit – either a withdrawal of money from your account, or an overdrawn balance on your account.

Debit card – a bank card where the money is usually taken from your account straight away.

Direct Debit – a method of paying bills where a company takes money directly from your bank account on specific dates.

Gross – the amount of money payable or charged before tax.

Interest – the price of borrowing money.

ISA – Individual Savings Account (a tax free savings account).

Net – the amount of money payable or charged after tax.

Overdraft – a facility to let you take out more money than you have in your account. This needs to be agreed with your bank first because if it is unauthorised you will be charged.

PIN – a Personal Identification Number for your bank cards which lets you take out money from cash machines and use chip and pin machines.

Standing order – a way of paying bills with money taken from your account on a set day each month.

Budget sheet

Name: _____

Address: _____

No. of people in my household: _____

Income (weekly/monthly)

Wages/salary	£
Wages/salary (partner)	£
Benefits	£
Money from other people	£
Other	£
Total income	£

Outgoings (weekly/monthly)

Mortgage/rent	£
Second mortgage/secured loan	£
Ground rent/service charges	£
Buildings/contents insurance	£
Life insurance/endowment	£
Council Tax	£
Gas	£
Electricity	£
Water	£
Food/housekeeping	£
Travel	£
Telephone	£
TV license/rental	£
Clothing/emergencies	£
Prescriptions/health costs	£
Other	£
Total income	£

My total income is £.....

My total outgoings are £.....

This leaves me an available income of £..... for my creditors.

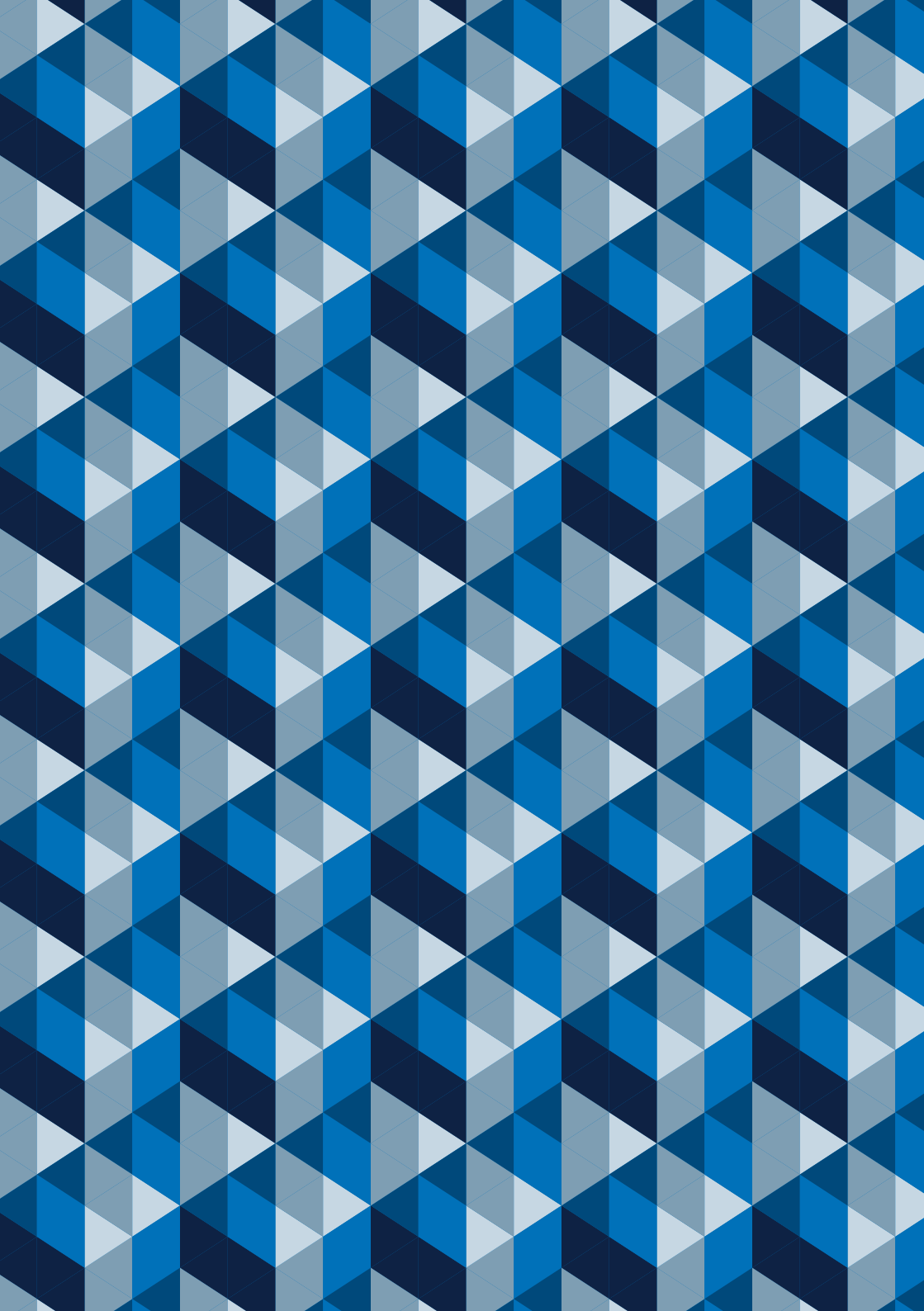
Priority debts

Type of debts	Money owed	Payments negotiated to pay off debts (weekly/monthly)
Rent arrears	£	£
Mortgage/2nd mortgage arrears	£	£
Council Tax arrears	£	£
Gas arrears	£	£
Electricity arrears	£	£
Fines	£	£
Maintenance arrears	£	£
Other	£	£
Total	£	£

Total payments to priority creditors is £..... per month/week. When I have made payments to my priority creditors, I have £..... for my non-priority creditors.

Non-priority debts

Debt (fill in name of creditor)	Money owed	Offer (weekly/monthly)
	£	£
	£	£
	£	£
	£	£
	£	£
	£	£
Total	£	£





Contact us

 by phone on **0300 373 3000**

 online at **www.networkhomes.org.uk**

 email **customerservice@networkhomes.org.uk**

 in person at our offices:
**Olympic Office Centre, 8 Fulton Road,
Wembley, HA9 0NU
or 36 Ware Road, Hertford, SG13 7HH**