



Moving to a new Home?

Helpful tips and advice for
moving to a new home

quids in
money
skills Service

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Do you have a bank or other account suitable for your needs.



<u>Accounts compared</u>	Current Bank	Basic Bank	Post Office	Credit Union
Suitable for direct payment? <i>*Only Welfare Benefits, State Pensions and some Tax Credits</i>	✓	✓	✓ *	✓
Can I pay other money e.g. wages into this account?	✓	✓		✓
Can I use cash machines?	✓	✓		
Can I use "cash-back"?	✓			
Do I get a cheque book?	✓			
Do I want an overdraft? <i>*Some offer a small buffer zone</i>	✓	*		
Can I pay bills by direct debit or standing order?	✓	✓ some		

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Some other things you might need to think about are:-

- Do you need a branch near to where you live or work?
- What hours are they open?
- Do you need internet or telephone banking?
- How many cash machines can you use free of charge?
- Do you need an account that offers access at the Post Office?
- Do you need to send sums of money to another country?
- Is the bank's code of conduct suitable for your beliefs?
- Does the bank have somebody available who speaks your first language?
- Will you get any interest paid on the money you have in the account?
- If the account has an overdraft how much will this cost in interest and charges?
- Are you likely to need to borrow money at a reasonable rate?

Opening an account

When you open an account you'll need some identification - a passport or driving licence is best. For some accounts a letter from the Department of Work & Pensions (DWP), showing your national insurance number, will do. You also need some proof of where you live such as a gas or electricity bill, and you need some details of your income - wages, salary, pension and/or benefits.



How much are your bills likely to be?



Budgeting - Trigger Figures

(These are weekly averages and should be used for guidance only as at April 2009)

	Flat		2 - 3 Bed House	
Rent - Bolton at Home	£54.30 - £61.05		£54.85 - £64.91	
	Single person	Couple - no children	Lone Parent	Couple - with children
Council Tax - Bolton Band A	£13.30	£17.74	£13.30	£17.74
Band B	£15.52	£20.69	£15.52	£20.69
Gas	£8.95	£10.45	£11.25	£14.85
Electricity	£10.00	£11.00	£13.00	£14.50
Water	£5.85	£7.75	£8.40	£12.50
Telephone (includes mobiles)	£9.25	£9.25	£10.85	£11.50
TV Licence - by Cash Easy Entry *	£5.50	£5.50	£5.50	£5.50
Life Insurance	£3.30	£6.60	£3.30 per person	£3.30 per person
Contents Insurance	£3.60	£5.50	£4.80	£6.00

- * The cost of a colour TV licence is currently (@ 1/04/09) £142.50 per year. Initial payment by cash easy entry is by 25 payments of £5.50 followed by 1 payment of £5.00 per week.

Other reasonable priority expenses may include: _

- ⇒ Clothing - up to £6.50 per person per week.
- ⇒ Food/general housekeeping = £35.00 - £45.00 per week per adult **PLUS** £17.50 - £22.50 per week per child
- ⇒ Other Children's expenses = £4.50 - £7.50 per week per child

Remember: -

- These figures are for guidance only.
- Your financial statement should give a realistic indication of your true circumstances.
- Any excessive expenditure - especially those due to illness or disability should be explained.

The above figures tie in with the trigger figures approved by the Money Advice Trust (& it's partner agencies) and the British Bankers Association.

Do you know how you will pay your bills?



For most people the main problems when paying bills are:-

- Knowing how to make an arrangement for payments
- Getting out to make the payments
- Reliance upon a third party
- The cost of making the payments
- Remembering to make the payments.

Methods of Payment

Post Office - PO Saving Stamps can be used to pay for most household bills, to help budget for holiday essentials and to buy other products & services. Certain other bills can also be paid at the PO, often using payment cards issued by the service supplier.

PayPoint & Payzone - operate through local newsagents, convenience stores, supermarkets and garages. As well as those listed below the following can be paid at PayPoint & Payzone outlets; most TV, telecom & cable bills, mobile phone top ups & many other bar coded bills and documents.

Prepayment Meters - check this is OK with your landlord first.

Internet & Telephone Banking - offers access 24 - 7 from home, the office or anywhere there is a suitable telephone or internet access.

Third Party Payments - can sometimes be made from certain benefits e.g. IS, IBJSA & CBJSA & PC

What can you pay where?

	Council Offices	By Post	Paypoint & Payzone	Post Office	Pre-Payment Meter	1/3 rd Party Payments	Internet & Tel.	Direct Debit	Standing Order
Rent #	Bolton at Home (B@H) only	YES	B@H - YES using Allpay card	B@H - YES Using Allpay card	X	Arrears Only	YES	YES	YES
Council Tax	YES	YES	YES	X	X	Arrears Only	YES	YES	YES
Gas	X	YES	YES	YES	YES*	YES	YES	YES	YES
Electric	X	YES	YES	YES	YES*	YES	YES	YES	YES
Water	X	YES	YES	YES	X	YES	YES	YES	X
Telephone	X	YES	YES	YES	X	X	YES	YES	X
Magistrates' Court Fines	X	YES	X	X	X	YES	Tel. only	X	YES
TV Licence	X	YES	YES	X	X	X	Online only	YES	X
Road Tax	X	YES ~	X	YES	X	X	YES	X	X

Rent for Bolton at Home (and Housing Association Tenants) can be paid at the relevant local housing office

- your landlord can provide you with details of these together with any other options for payment.

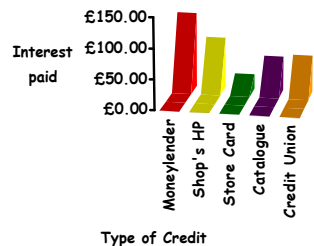
* Most offer PPM's but check direct with supplier. ~ Post to: 'Post Office@ (MVL Duty)'

How will you buy things for your home?

BORROW THE MONEY OR PAY ON CREDIT?

Before you borrow think about:-

- 1) How much can you afford to pay each week or month?
(See page 6 - Planning your budget)
- 2) How much will you pay back in total?
- 3) How much interest will you pay?



A £200 loan from the credit union will cost you £5 per week for a year. You will pay back a total of £260 and pay £60 in interest.

The same loan from a money lender will cost you £6.20 per week for a year. You will pay back a total of £322.40 and £122.40 in interest.

- 4) If you can't repay - can your goods be repossessed?

Some shops sell goods on credit without carrying out credit checks. Many of these shops don't need to carry out the checks because they sell the goods using "Conditional Sale" or "Hire Purchase" agreements. Items bought under one of these agreements can be repossessed if you fail to keep up with the repayments and they don't always need a court order!

- 5) If you are tempted by an interest free period are you sure you can pay **IN FULL** within this set period?



Buy now and pay later, interest-free credit deals are now the fastest-growing trend in retailing and might well offer "money for nothing", but they can also cost you dearly. Figures have revealed that one in four buyers can't pay off the purchase within the interest-free period, resulting in crippling penalties and interest.

- 6) Compare the different types of credit available to make sure you are getting the best deal!

Types of Credit

- **Bank/Building Society Loans** - These are usually cheaper, however, most don't offer loans for less than £1000.
- **Catalogues** - Goods are ordered in the comfort of your own home. Repayments are usually affordable but interest rates can be high and goods tend to be more expensive**.
- **Credit Cards** - This can be a cheap way to buy things, **IF** you can clear the outstanding balance fairly quickly. However if you only pay the minimum amount due each month interest and charges can soon mount up.
- **Credit Unions** - Interest rates are fairly low, however, the lowest rate is only available for loans over £2500 and to qualify for the lowest rate you will have to save for 8 weeks beforehand.
- **Hire Purchase or Conditional Sale** - These are often used in some furniture shops where low weekly repayments are offered. Credit checks are not carried out and thus interest rates tend to be high and goods tend to be more expensive**. Late payments often incur further charges and your goods can be repossessed if you can't keep up the repayments.
- **Money Lenders** - Weekly repayments are usually affordable and collectors will call at your house to arrange the loan and to collect the repayments. **BUT** interest rates are high and you may pay a lot more than you need to.
- **Social Fund Loans / Grants** - In certain circumstances you may be entitled to a Social Fund loan or grant from the Department of Work and Pensions. You don't have to pay a grant back and loans are interest free and repayments are deducted directly from your ongoing benefit.
- **Store Cards** - These are similar to credit cards and are often offered with incentives such as a discount on the goods purchased. Interest rates tend to be higher than credit cards and often you can end up paying more than the discount allowed.

Money Skills



Comparisons show the cost of buying a fridge over 52 weeks using various types of credit.

<i>Payment Method</i>	Cost of Fridge	Typical A.P.R.	Weekly re-payment	Total Paid
Bank Loan	Most will not loan less than £1000			
Cash	£200	0%	N/A	£200.00
** Catalogue	£230	24.2%	£4.93	£256.36
Credit Card	£200	16.3%	£4.15	£215.80
Credit Union	£200	26.8%	£5.00	£260.00
** Conditional Sale - Shop's own	£250	28.6%	£5.45	£283.40
Money Lender - Loan	£200	177.7%	£6.20	£322.40
Social Fund Loan	£200	0%	£3.85	£200.00
Store Card - Shop's own	£200	25.69%	£4.31	£224.12



Planning your budget



Before you borrow money it's a good idea to first work out how much you can afford to repay each week or month. The easiest way to do this is to draw up a Personal Budget Sheet by following the step by step guide below and using the Personal Budget Sheet on the next page:-

NB If (B) or (D) are MORE than (A) you shouldn't borrow money as this would make your situation worse.

Instead you could contact -

- The CAB - 08701 264 038 or the National Debtline - 0800 808 4000 who can offer you help and advice to sort out your finances.
- The Money Skills Service on 01204 331968, can help you with budgeting or choosing between credit.
- Your Housing Officer as s/he may also be able to help.

- 1) Add up all the income you receive regularly each week or month from wages, welfare benefits, tax credits, pensions, etc = (A)
- 2) Add everything you usually pay for each week or month that is essential or a priority. Things such as bills (including any arrears payments), food, clothing, general housekeeping e.g. toiletries and cleaning materials, pet foods, cigarettes, etc. Costs for children should be included; such as nappies, baby foods and child care costs as should extra costs due to illness or disability. Make sure you are realistic when working these out as people often underestimate what they do spend on items such as food. The total of these = (B)
- 3) Now work out what you spend on other things such as loans to banks, moneylenders, etc, catalogues and credit and store cards = (C)
- 4) Add together (B) + (C) to find your total expenditure = (D)
- 5) Finally deduct your total expenditure (D) from your total income (A) to find out how much is left over each week or month (E)
- 6) The amount left over (E) is the most you could afford to repay any money borrowed to buy the things you need.
- 7) However, it isn't a good idea to use all of (E) to repay credit agreements just in case your circumstances change.
- 8) Alternatively you may decide to save (E) so you can pay cash for the things you need.

Remember to keep all figures weekly or monthly

<u>Income</u>	<u>Expenditure (Outgoings)</u>
<p>Wages (Self)</p> <p>Partner</p> <p>Benefits/Tax Credits</p> <p>Income Support</p> <p>JSA</p> <p>Tax Credit</p> <p>Child Benefit</p> <p>ICB</p> <p>Other</p> <p>Any Other Income e.g. Pensions</p> <p>Total Income (A)</p>	<p>Priority Expenditure</p> <p>Rent</p> <p>Life Insurance</p> <p>Contents Insurance</p> <p>Council Tax</p> <p>Water Rates</p> <p>Gas</p> <p>Electricity</p> <p>Food/Toiletries</p> <p>Cleaning Materials</p> <p>Clothing</p> <p>T.V.</p> <p>T.V. Licence</p> <p>Telephone</p> <p>Mobile Phone</p> <p>School Meals</p> <p>Maintenance</p> <p>Magistrates' Fines</p> <p>Child Care Costs</p> <p>Vets Bills</p> <p>Travel (School/Work)</p> <p>Car Loan/H.P.</p> <p>Fuel</p> <p>Road Tax & Insurance</p> <p>M.O.T.</p> <p>Repairs/Serviceing</p> <p>Others</p> <p>Others</p> <p>Total Priority Expenditure (B)</p> <p>Non-Priority Expenditure</p> <p>Savings</p> <p>Holidays etc</p> <p>Hobbies etc</p> <p>Existing Loans</p> <p>Others</p> <p>Total Non-Priority Expenditure (C)</p> <p>TOTAL EXPENDITURE (B + C = D)</p>
<p>Total Income (A) £.....</p> <p>(Minus) -</p> <p>Total Expenditure (D) £.....</p> <p>(Equals) =</p> <p>Amount Left Over (E) £.....</p>	

PAYMENT SCHEDULE

PAYMENT SCHEDULE FOR:							
MONTH							
	CREDITORS	DATE	January	February	March	April	May
1	Ref:						
2	Ref:						
3	Ref:						
4	Ref:						
5	Ref:						
6	Ref:						
7	Ref:						
8	Ref:						