July 2010

Our Moneymadeclear™ guides – here to help you

This guide is part of our Everyday money series.

Available from our helpline or website

www.moneymadeclear.org.uk

No selling. No jargon. Just the facts.

If you would like this guide in Braille, large print or audio format, please call our Moneymadeclear™ helpline on 0300 500 5000 or Typetalk on 1800 1 0300 500 5000.

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To help us maintain and improve our service, we may record or monitor calls.

Plain Language Commission Clear English Standard Winning Document

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No selling. No jargon. Just the facts about making the most of your money.

Moneymadeclear™

from the Consumer Financial Education Body (CFEB)

Moneymadeclear™ guides are brought to you by the Consumer Financial Education Body (CFEB). We aim to help you understand financial matters and manage your money better.

Just the facts about making the most of your money.

We try to ensure that information in this guide, much of which comes from external sources, is correct at time of print. It is possible that some of it is oversimplified, or may become inaccurate over time, for example because of changes in UK law. You should always check the current position before you take action.

This is general information intended for consumers of UK financial services resident in the UK. It does not take account of individual circumstances. When making decisions about your own circumstances you should consider whether to consult a financial or other professional adviser.

cfeb consumer financial education body

This guide is for you if

You want

to make the most of your money.

It's about making your money go further and:

- explains why it's important;
- sets out some ways to help you; and
- suggests where to get more information.

Contents

Taking control

We all know that we need to take responsibility for our financial affairs, but don't always know where to start.

Spending only a few minutes a week reviewing and planning your budget can make a real difference. You'll know what's coming in, what's going out and how much money you've got left over.

We can't cover everything in this guide, but we'll give you the main facts and tell you where you can get more information if you need it. We've also got printed guides on all of the topics covered here, and online tools and information to help you further – see *Useful contacts* on page 37 for details.

See the *Jargon buster* on page 33 for an explanation of some words you may come across.

Where to start

Whether you're changing jobs, buying a home, starting a family or planning to retire, you've always got options to make your money go further.

Make the most of your money by:

- tracking your income and spending;
- planning ahead for future events; and
- choosing the products that are right for you.

Your payslip

Probably the most important figure on your payslip is your take-home pay or **net pay**.

Your payslip will also show your employee reference number, National Insurance number and tax code (which tells your employer how much tax to take off). Check you're on the right tax code by looking at your annual Notice of Coding and, if necessary, contacting the tax office. Ask your personnel department for the contact details and the company's tax reference number.

There will also be details of how often you get paid, and how you are paid (for example into your bank account). Your payslip will also show:

- **gross pay** – the total you have earned in the current pay period;
- **deductions** – all the money taken off your pay for the current pay period such as tax, National Insurance, student loan repayment, pension contribution and any other deductions for work-related benefits; and
- **net pay** – the actual amount of money you get after deductions for the current pay period. There can be a big difference between gross and net pay.

Your P60 certificate

At the end of every tax year your employer will give you a P60 certificate. This shows:

- your total taxable pay before deductions in the previous tax year;
- how much tax and National Insurance has been deducted;
- any statutory payments (for example maternity or paternity pay, sick pay, and student loans); and
- your employment start and leaving date (if applicable) and pension scheme number (if applicable).

You will need your P60 if you have to fill in a tax return or claim State benefits. Make sure you keep all your payslips and P60s in a safe place.

Claim State benefits and tax credits

It's worth checking to see if you're entitled to any State benefits or tax credits. If you have children you may be able to claim Child Tax Credit. If you're on a low income, Working Tax Credit can help, and you don't have to have children to qualify – see the government's **Directgov** or the Citizens Advice Bureau's **Adviceguide** websites – see *Useful contacts* on page 37.

If you have a young family, see our online **Quick guide to the main benefits and entitlements** you could get – see *Useful contacts*.

Taking control

Use HMRC's Tax credit calculator to find out how much you may be able to claim in tax credits – see www.hmrc.gov.uk/taxcredits.

You may also be entitled to certain welfare or educational grants, so check the Grant Search on the Turn2Us website – see www.turn2us.org.uk/grants_search.aspx.

Working out your financial priorities

Think about what you plan to do and when – whether it's paying off your debts or saving for a home or retirement. If you need help deciding what these priorities are, use our confidential, online **Financial healthcheck** – see www.moneymadeclear.org.uk. It only takes a few minutes, and there's no need to dig out bank statements or old insurance policies. Just answer a few simple questions and we'll make some suggestions based on what you tell us.

The Government has asked us to develop an annual Financial Health Check, which will be delivered as part of the new national financial advice service. This health check will be launched in spring 2011.

Planning your budget

Once you know what you'd like to do, the next step is to plan your budget to meet your financial priorities.

Find out how much you've got left over after your expenses. Our online **Budget calculator** can help you – it will do the calculations for you once you've put in your expenses – see www.moneymadeclear.org.uk. Or just make a list – use the one opposite as a starting point.

Include all your income and everything you spend money on, for example birthday cards and presents, not just the items suggested. Use either weekly or monthly amounts, but stick to one or the other.

Budget planner

Income – section A	
Your pay after tax (net pay)	
Partner's pay after tax	
Pension income	
State benefits	
Interest/investment income (after tax)	
Child Benefit	
Child maintenance	
Tax credits	
Other	
Total income	
Spending – section B	
Household	
Food and drink (supermarket shop)	
Mortgage/rent/service charge	
Council Tax	
Electricity	
Gas	
Phone/internet/satellite TV etc	
Mobile phone	
TV licence	
Water	
Other	
Leisure	
Going out/take-aways	
Alcohol/cigarettes	
Holidays	
Gym membership/sports activities	
Books/magazines	
Other	

Financial products	
Loan/card/hire-purchase repayments	
Pension contributions	
Savings/investments	
Life insurance	
Buildings and/or contents insurance	
Car insurance	
Medical insurance	
Mobile phone insurance	
Other	
Children	
Childcare	
Child maintenance	
Other	
Travel	
Getting to work	
Car (inc tax, MOT, service)	
Other	
Other spending	
Clothing and footwear	
Toiletries	
Medicines/prescriptions	
Charitable giving	
Other	
Total spending	
Total income (from section A)	
Total spending (from section B)	
Income minus spending (A-B)	

Getting organised

Work out a system to keep track of your spending and keep your finances up to date, whether on paper or a computer. Try to:

- write in your diary or calendar when payments are due, for example insurance policies, TV licence, car tax and MOT – you'll be able to plan better if you know when they're due;
- keep cash-point receipts and cheque-book stubs, and check them against your bank statements;
- check bank and credit card statements as soon as you get them and contact the bank or credit card company if you think anything is wrong.

Keep in a safe place important documents such as payslips, P60s, savings account details, pension paperwork and insurance policies.

Not enough money

If you haven't got enough money to cover your expenses, see where you can make savings.

Consider cutting back on non-essential items – the little savings you make each day or week can really add up. For example, £1.50 for a coffee may not seem much, but if you buy one five times a week, that's £7.50 – or more than £30 a month.

Try our **Cut-back calculator** to help you see where you can save money on items that you buy regularly – see www.moneymadeclear.org.uk.

You may also be able to save money by switching services, such as your phone, broadband, electricity or gas suppliers – see *Useful contacts* on page 37.

Keep it under review

Reviewing your budget when you get a pay rise or your outgoings increase is crucial.

It's even more important to review your budget for longer-term changes such as buying a home or starting a family. Use the Budget planner on page 5 or our online **Budget calculator** – see www.moneymadeclear.org.uk.

Talk to your partner about sharing your income and your financial responsibilities. And consider taking out insurance in case things go wrong, for example if you lose your job – see page 18.

Writing a will

Whatever your age, it's important to make a will. That way you will be able to decide how you want your assets to be shared out and make sure that you don't pay Inheritance Tax unnecessarily. It will also make life much easier for the people left to sort out your estate (your possessions and debts).

If you're living with someone but not married or in a civil partnership and you don't make a will, your estate could pass to your next of kin rather than your partner when you die. Keep your will up to date when your circumstances change, for example if you marry, and make sure other people know where to find it.

You can search for a solicitor who specialises in writing wills on the Law Society's website at www.lawsociety.org.uk.

Key points

- Check your payslip to see how much tax you're paying and how much money you're getting.
- Make sure you're getting all the State benefits and tax credits you're entitled to – they're not paid automatically.
- Plan your budget. Make a weekly or monthly budget and remember to list everything.
- Keep a spending diary to see where your money is going and where you can make savings.
- If you're struggling with debts, don't suffer alone – there are specialist agencies that can help you – see *Useful contacts* on page 37.
- Plan your spending – make a list of what you'll need and how much it will cost.
- If you need to borrow money, shop around and try to avoid expensive forms of credit – see page 8.
- Find out what benefits your employer offers as part of your employment package.
- Always review your budget if you get a pay rise or your outgoings increase.
- Use the Budget planner on page 5 or our online **Budget calculator** – see www.moneymadeclear.org.uk.

Borrowing money

Borrowing money to pay for things like furniture, a car or a holiday means you get what you want straight away. But you will usually have to pay interest on what you borrow, eventually repaying more than you borrowed.

There are many ways to borrow money, but you usually need to be 18 or over. Find out which way may be right for you.

Businesses offering loans and credit cards must be licensed by the Office of Fair Trading (OFT) under the Consumer Credit Act 1974. It requires credit agreements to be set out in a particular way and to contain certain information. You can check with the OFT if a firm is licensed – see *Useful contacts* on page 37.

Ways of borrowing

You can borrow money by getting:

- a bank overdraft;
- a personal loan;
- a credit card;
- a store card or in-store finance;
- a finance arrangement such as hire purchase;
- cash from other lenders (eg credit unions or doorstep lenders;
- cash from illegal lenders ('loan sharks');
- an equity-release scheme; and
- a mortgage.

With all of these you'll usually pay interest on what you borrow, and sometimes there may be other charges. These can vary greatly, so shop around. You can usually use the annual percentage rate of charge (APR) to compare the cost of a loan – see page 14.

Some ways of borrowing are cheaper than others – read on to find out how you can spot them.

Bank overdraft

A bank overdraft is linked to your current account and means that you can take out more money than you have in your account. It can be authorised or unauthorised.

- **Authorised overdraft**
  You arrange this with your bank in advance and agree a limit up to which you can borrow. There is no minimum repayment and you can take out money up to your overdraft limit using any of the ways you usually withdraw money from your account.
- **Unauthorised overdraft**
  This is where you haven't agreed an overdraft with your bank but have taken out more money than you have in your account, deliberately or accidentally. You'll pay extra charges if you do this and these charges can build up.

Costs

Some banks offer an interest-free overdraft for a certain period. But this is unusual and interest rates are usually higher than for personal loans, and you may have to pay arrangement fees too. Charges can also be high if you go over your overdraft limit.

Personal loan

There are two types of personal loan – secured and unsecured.

- **Secured loan**
  This means that your loan is secured against an asset, normally your home, which is used to guarantee the loan. This means that if you can't repay the loan, the lender can sell your asset to get its money back. You may be charged less interest on a secured loan but there may be extra fees.
- **Unsecured loan**
  An unsecured loan doesn't give the lender the same guarantee, but legally you must still repay the loan. The lender can take court action against you to get its money back, and this could eventually mean you losing your home (or other asset if you don't own a home).

Costs

With a personal loan you borrow a fixed amount and usually have to pay it back over a set period (the 'term').

The interest rate may stay the same over the term of the loan (a 'fixed rate') and you agree how long the loan will last when you first take it out.

Repayments are usually monthly, but they might be weekly. You will normally have to set up a Direct Debit for your repayments.

Credit cards

Credit cards allow you to buy goods and services now and pay later. They are different from a debit card (which you get with a bank account) where the money you spend is taken from your current account straight away.

The lender will give you a credit limit, which is the maximum you can borrow using the card. If you go over that limit, your card will probably be refused when you try to use it again. Even if your card isn't refused, you may still have to pay an extra charge to the lender.

Costs

Every month you will get a statement setting out what you've spent. You have to pay the minimum payment shown on the statement by the date the lender states. The minimum amount may be a small percentage of the amount you owe.

You will be charged interest on any money you still owe (the 'balance'). The lender may charge you a late-payment charge if you don't make your minimum payment by the due date.

If you pay off the bill completely and on time, you will not usually have to pay any interest.

For more information about choosing and using a credit card get our **Credit cards** guide (see *Useful contacts* on page 37) or take a look at the Choosing and using website at www.choosingandusing.com.

Store cards and in-store finance

Many big stores offer finance deals or store cards. Store cards are like credit cards. You fill in an application form and are given a spending limit based on your credit score – see page 13.

They tend to charge higher rates of interest than most other loans. And you can usually only use them in that store or group of stores.

In-store finance may be useful to help you pay for expensive furniture or large electrical goods over time. Some may offer 0% interest for a fixed period.

Hire purchase

With a hire purchase agreement, you are hiring goods but with an option to buy once you've paid all the instalments. Until you do, you will not own the goods and you cannot modify or sell them without the lender's permission. You will be responsible for any damage to the goods during the contract period.

The lender can take the goods back if you don't keep up repayments, although it will need a court order if you've paid more than one third of the total cost. If you've paid more than half the total cost – or pay up to that level – you can end the agreement and return the goods at any time. For more information on hire purchase, see the OFT's **Consumer Direct** website at www.consumerdirect.gov.uk.

It can be easier to get credit from a hire purchase company than a bank or credit card company, but it's usually a more expensive way to borrow – particularly if you want to buy the goods, as the final fee may be high.

Other licensed lenders

Some licensed lenders are willing to give loans to people who can't get credit from mainstream lenders, but often at a higher interest rate. Sometimes called 'sub-prime' lenders.

Credit unions

Some credit unions may lend to you as soon as you become a member. Others will lend to you after you have shown them you are able to save regularly. The APR on their loans is capped by law so they often charge much lower interest rates on loans than other alternatives. Credit unions may also be able to help you manage your money – see our **Credit unions** guide – see *Useful contacts* on page 37.

Community Development Finance Institutions (CDFIs)

CDFIs are independent organisations which aim to help people who have trouble getting finance from usual sources. You can find a local CDFI that can help you manage your money and lend to you on the Community Development Finance Association's website at www.cdfa.org.uk.

Growth Fund lenders

Some credit unions and CDFIs offer affordable loans using money made available from the government's Growth Fund. This may help you if you're on a low income. You can find a local Growth Fund lender on the Department for Work and Pensions' website at www.dwp.gov.uk.

Doorstep lenders (or home credit)

These companies lend small amounts of money over short periods to people on low incomes or with poor credit histories. A local agent calls at your home each week to collect the repayments (hence the name 'doorstep lender' or 'home credit'). They often charge very high rates of interest. You can compare the cost of these loans on the Lenders Compared website at www.lenderscompared.org.uk.

Make sure you ask to see their lender's licence or other authorisation. If they don't have one, they are operating illegally, so don't use them.

Illegal lenders (also known as loan sharks)

Loan sharks are unlicensed lenders. They operate illegally and will lend you money when nobody else will, but:

- their interest rates will be very high and you may find it difficult to keep up the repayments;
- you may be forced to get a second loan to pay off the first, causing your debts to spiral out of control; and
- they may use violence or intimidation to collect debts.

Avoid borrowing money from unlicensed lenders and report any that approach you. See the Directgov **Stop Loan Sharks** website at www.direct.gov.uk/stoploansharks or call 0300 555 2222.

Call their helpline if you've already taken out a loan with one and are having problems with the loan or are being threatened. You are not breaking the law by borrowing from a loan shark and you cannot be legally made to pay back the loan.

Equity release schemes

Equity release is a way of getting cash from the value of your home without having to move out of it. There are two main types – **lifetime mortgages** and **home reversions**.

You have to be over a certain age (typically over 55) and own your own home. You get a cash lump sum, a regular income, or both, and you can continue to live in your home.

These schemes are complex and you may want to seek professional advice before starting one. For more information get a copy of our **Equity release schemes – raising money from your home** guide – see *Useful contacts* on page 37.

Getting a mortgage

Buying your own home is a big step and needs careful planning.

The Financial Services Authority (FSA), the UK's financial services regulator, regulates the way most mortgages are sold, so check that the firm you're dealing with is on its Register – see www.fsa.gov.uk or call 0845 606 1234.

If you are currently renting, you'll be used to paying out every month for rent and bills. But there are many other things to consider when buying your own property, such as:

- How much can you afford to borrow?
- What will your total monthly outgoings be if you own your home?
- Which type of mortgage is right for you?
- Which insurance will you need?
- Can you afford the maintenance or repair costs?
- How much will moving costs and fees be?

Types of mortgage

You can choose to repay your mortgage in the following ways:

- repayment;
- interest-only; or
- a combination of the two.

Repayment – your monthly payments to the lender go towards reducing the amount you owe as well as paying the interest they charge. So each month you're paying off a small part of your mortgage. In the early years your payments will be mainly interest, so if you want to repay the mortgage or move house, you'll find that the amount you owe won't have fallen by much.

Interest-only – your monthly payment only pays the interest on your loan, so you're not actually reducing the loan itself. You will need to arrange some other way to repay the loan at the end of the term, for example through an investment or savings plan.

You will need to check that your investment or savings plan grows so that at the end of the term you'll have enough money to repay the loan. If it doesn't grow as planned, you'll have a shortfall and need to think about ways of meeting it.

Because you're only paying off the interest, your monthly payments will be lower. But bear in mind you're not repaying the loan itself.

More information

For information about how mortgages work and what you need to think about, read our **Mortgages** guide – see *Useful contacts* on page 37.

If you've had financial problems in the past and are finding it difficult to get a mortgage, read the Council of Mortgage Lenders' leaflet **Adverse credit mortgages** – see *Useful contacts*.

If you want to buy your home in a way that follows Islamic law, get a copy of our **Home purchase plans** guide – see *Useful contacts*.

Credit scoring

When you apply to borrow money, the lender will usually credit score your application. This means they will assess your credit rating. This helps them decide whether to lend you the money and, where relevant, set your credit limit and interest rate.

Credit scoring helps the lender predict how big a risk they are taking by lending you money.

Seeing your credit report

It is your legal right to see your credit report and to correct anything in it that you can prove is wrong. It usually costs no more than £2 to see your report (although online and phone services may cost more). See *Useful contacts* for details of the three main credit reference agencies.

What is APR?

APR stands for annual percentage rate of charge, which tells you the full cost of a loan, taking into account the length of the loan, interest rate and other costs.

Lenders must tell you the APR before you sign an agreement. It will vary from lender to lender.

Generally, the lower the APR, the better the deal for you, so shop around.

Example

£10,000 over 5 years

APR 7.5%

Monthly repayment of	**£200.38**
Total repayment	**£12,022**

APR 15%

Monthly repayment of	**£237.90**
Total repayment	**£14,273**

That's £2,251 more!

The term

Another thing to consider is how long the loan will last. Spreading payments over a longer term will mean you pay less each month. But you will end up repaying more on a loan that runs for longer, because you will be paying interest for longer.

Example

£10,000 at an APR of 7.5%

Over 5 years

Monthly repayment	**£200.38**
Total repayment	**£12,022**

Over 10 years

Monthly repayment	**£118.70**
Total repayment	**£14,244**

That's £2,222 more!

Use our online **Loan calculator** to work out what your monthly repayments might be for various loan amounts, repayment periods and annual interest rates. This could help you decide whether you can afford the repayments, and help you compare different loans – see www.moneymadeclear.org.uk.

For more information on how the different types of borrowing work, get our **Borrowing money** guide – see *Useful contacts* on page 37.

If you're worried about how much you owe, our online **Debt test** can help you find out how likely you are to have problems with your borrowing. It also gives you some tips to help you avoid debt problems or help you tackle your debts if you're in trouble – see www.moneymadeclear.org.uk.

Dealing with debt

If you're struggling financially, don't ignore the problem. Talk to the people you owe money to. They may be able to help you work out a repayment plan.

Or talk to a debt adviser, for example the Citizens Advice Bureau, National Debtline or Consumer Credit Counselling Service. All offer a free service to help you plan and prioritise your payments – see *Useful contacts*.

Debt consolidation

Debt consolidation means negotiating a new loan to repay an existing loan or loans, often with a lower interest rate and lower monthly payments.

Although this may sound like a good idea, companies that offer this service often charge high fees. Even though your monthly payment might be lower, you could end up paying much more over the length of the loan. There may also be charges if you pay off your original loan early.

If you own your home, the new loan could be secured against it, so you could lose your home if you can't keep up the repayments.

Get free expert help from specially trained debt advisers – see *Useful contacts* on page 37.

Key points

- There are many ways to borrow money, some more expensive than others.
- Check the fees and charges and use the APR to compare overall cost – see page 14.
- A mortgage is a loan secured against your home, so if you can't repay it, the lender can sell your home to get back its money.
- Check your credit report and correct any errors.
- The longer the loan period the more you'll have to pay, because you'll be paying interest for longer.
- Don't borrow for longer than the life of the product you want to buy.
- If you're struggling with debt, don't suffer alone – there are specialist agencies that can help – see *Useful contacts*.

Insurance

Everyday life can have its problems. Your home may be burgled, your car may be damaged, or you or your partner may suffer a serious injury, illness or lose your job.

Only you can decide whether you want to risk not being covered if something unexpected happens.

There are many types of insurance available and it can be confusing. The main types are:

- life;
- health;
- income and borrowing protection;
- motor;
- home; and
- travel.

For more information see our **Insurance** guide – see *Useful contacts* on page 37.

How insurance works

The amount you pay for insurance will be based on the information you give the insurance company (the underwriter) and the type of risk you want to cover.

If the event you're insuring against happens, the insurance company will pay an agreed amount or an amount to cover the damage.

It is vital that you give the insurance company the full facts when buying insurance, as incorrect or incomplete information may mean any claim you make won't be paid.

You can choose which company's policy to buy yourself or you can go to an insurance broker, who will help you choose – see *Getting financial advice* on page 28.

Most non-life insurance lasts for one year at a time. You can then renew your policy with the same company when the insurance policy ends, or shop around for a better deal. Check that any new policy you take out covers what you need it for and that you don't lose any benefits that you've accrued by changing your policy.

Always compare what's covered by a policy, not just the price. Some policies will be cheaper, but may not offer the same level of protection.

Buying insurance

Before you buy, always check what insurance cover you already have. You may have taken it out yourself or you may be covered through policies taken out by your employer as part of your benefits package.

Check the policy information to find out exactly what you are and are not covered for, and always ask questions if you're not sure about anything.

Life

Life insurance provides some financial security for people who depend on you if you died. (So if you don't have a partner, spouse or civil partner, children, or other dependants, you probably won't need life cover.) There are two main types of life insurance: term insurance and whole-of-life insurance.

Term insurance pays out only if you die within a certain term (for example 10, 15 or 20 years). If you live longer than the term, you get nothing. As a couple, you can also take out term cover in both your names, with the policy paying out on the first death only during the term.

There are different types of policy you can have including:

- family income benefit – a policy which pays out income rather than a lump sum;
- increasing policy – where cover and premium rise over the years;
- decreasing policy – where cover and premium fall over the years; or
- renewable policy – which lets you extend the original term.

Decreasing term insurance is often linked to a repayment mortgage (where the amount you owe decreases over time) and may, in this instance, be called mortgage term insurance or mortgage protection life insurance.

Whole-of-life insurance pays out an agreed sum when you die, whenever that is.

Health

There are many insurance products aimed at helping soften the financial blow of medical expenses. For example:

- **private medical insurance** – offers access to private care treatment; and
- **health cash plans** – pay a limited amount towards everyday medical bills.

Your employer may offer some of these in your benefits package or you can take them out yourself.

Income and borrowing protection

There are various types of insurance to cover your income or to pay your loan repayments if you become ill or lose your job and cannot pay them.

State benefits may help, but most don't start immediately and usually only last for a fixed time. You may have enough savings to cover you. But if not, insurance may help.

- **Income protection insurance** – replaces part of your income if you are unable to work for a long period of time because of illness or disability. It continues to pay out until you can return to some kind of paid work or reach retirement, whichever is sooner. This type of insurance usually has a waiting period before it starts paying out.
- **Payment protection insurance (PPI)** – helps you keep up your loan repayments, for example on a loan or credit card, if you can't work because of redundancy, accident or illness. PPI only pays out for a set period, generally 12 or 24 months. You can take out a PPI policy specifically to cover your mortgage repayments, which is called Mortgage payment protection insurance (MPPI). You can compare PPI and MPPI on our online **Comparison tables** – see www.moneymadeclear.org.uk.
- **Critical illness insurance** – pays a lump sum if you're diagnosed with a specific critical illness, such as cancer or MS, or have a stroke, a major organ transplant, coronary artery bypass, heart attack or kidney failure. You can use this to pay for medical treatment, pay towards your mortgage or anything else.

Motor

The law says you must have basic motor insurance if you own or drive a motor vehicle.

There are three levels of cover:

- **Third party** – this is the minimum legal requirement, and covers you if you injure a third party, including passengers or their property, but does not cover damage to your own vehicle.
- **Third party, fire and theft** – this covers third party injuries and liabilities, and also fire and theft to your own vehicle.
- **Comprehensive** – as well as the above, this will also cover accidental damage to your vehicle.

Motor insurance does not cover you for breakdowns, so you will need to take out separate breakdown cover if you want this.

Home

You will need to think about:

- **Buildings insurance** – covers the cost of rebuilding or repairing your home if it is damaged by fire, subsidence or flooding. If you buy a leasehold property (such as a flat), the freeholder may have arranged buildings insurance for the whole block, so you may not need your own policy.
- **Contents insurance** – covers your furniture and possessions against loss, theft or damage. This can usually be extended to include accidental damage as well as cover for items you take outside, such as cameras, laptops and jewellery.

Travel

Travel insurance can pay for lost luggage and other valuables, as well as accidents, flights cancellations or emergency medical bills.

If you are a UK resident you are entitled to free or reduced-cost, State-provided healthcare when visiting a European Union (EU) country as long as you have the necessary European Health Insurance Card (EHIC). In many other countries outside the EU, healthcare can be very expensive. But the EHIC is not a substitute for travel insurance, as it only covers you for when you are ill.

If travel insurance has been added automatically by the travel agent or airline, you don't have to take it. You can opt out of it and use your own if you already have it, or you can buy it separately.

Find out whether your employer offers travel insurance as part of your benefits package. You may also have some kind of 'free' travel insurance through your credit card or bank. However, check what it covers, as it may only cover certain things and only up to a certain amount.

Key points

- Check whether you're already covered by existing insurance policies.
- Dont buy insurance you don't need.
- Give the full facts when applying for insurance. If you don't, your policy may not be valid if you make a claim.
- Shop around and compare the features of the policy, not just the price.

Saving and investing

Saving and investing are ways to make your money grow. They work differently and have different levels of risk.

Firms offering savings and investments have to be regulated by the Financial Services Authority (FSA). This means they have to meet certain standards. The FSA monitors these standards and can take action if firms don't meet them.

Firm's advertisements, product brochures and other promotions must be fair, clear and not misleading.

You can check if a firm is regulated or report any misleading promotions to the FSA on its website at www.fsa.gov.uk or by phone on 0845 606 1234.

Get a copy of our **Your bank account** guide to find out what your rights and responsibilities are and what banks and building societies should do – see *Useful contacts* on page 37.

Saving

This tends to be for short-term goals or when you need to get at your money quickly (for example to pay for a holiday, birthdays, Christmas or an emergency such as replacing a household item).

Your money will grow by having interest added to it either monthly or yearly.

Where you can save

You can save in a wide range of savings accounts with banks, building societies, credit unions and National Savings and Investments (NS&I). They have different interest rates and access conditions. Savings accounts are 'deposit' based. This means you'll usually get back the money you put in plus interest, unless the bank or building society gets into serious financial difficulty – see *If things go wrong* on page 30 for how you're protected if this were to happen.

See the table opposite for the main types of savings accounts and their features. You can compare savings accounts online on our **Comparison tables** – see www.moneymadeclear.org.uk.

Main types of saving account

Type of account	Features	Access
Savings	Usually pays higher interest than current accounts.	Instant or easy access.
Cash ISA (Individual Savings Account)	The maximum you can put in is currently £5,100 per tax year (2010/11) and will go up each tax year in line with the Retail Prices Index. Generally pays higher interest than normal deposit accounts and the interest earned is free of income tax. For more information see HMRC's **ISA Factsheet** – see *Useful contacts* on page 37.	Instant or easy, but some can have notice periods.
Fixed notice	You have to give notice to take your money out, eg 7, 30, 60, 90 days.	Penalty (usually in the form of reduced interest) if you withdraw your money without giving enough notice.
Fixed-rate bond (term accounts)	You usually have to leave your money in for one year or more (the term). A minimum deposit is often required, for example £1,000.	Might be difficult or could involve a penalty if you withdraw during the term.
High-interest regular savings	Your current account is with the same provider as your savings account. You regularly transfer the same amount each month into this account for a fixed period.	Usually interest is only paid yearly, and you can only withdraw yearly.

Sharia-compliant products

A number of organisations offer products that are structured and run in line with Islamic law. They may have similar features to other mainstream products but offer a return on your money that is not interest. It is the responsibility of the organisation offering these products to ensure that the products keep to Islamic law.

Christmas savings accounts

As well as normal savings accounts, you can save in special Christmas savings accounts offered by some building societies and credit unions. These don't let you access the money until November or December.

Saving for children

Currently you can start a savings or investment account for your child using the government's Child Trust Fund scheme. You'll receive a voucher for a Child Trust Fund once you've registered for Child Benefit. The government has announced that it intends to reduce its contributions from 1 August 2010 and then stop them from 1 January 2011. Existing Child Trust Funds will carry on building up largely tax free to age 18, and friends and family will continue to be able to pay in up to £1,200 a year. For more information go to the Child Trust Fund website at www.childtrustfund.gov.uk.

Inflation

Inflation happens when prices go up throughout the economy. The effect of inflation on your money means that the money you save will buy less each year.

To protect your savings against this, you should look for an interest rate that is more than the rate of inflation. To find out the current rate of inflation, see the Bank of England's website at www.bankofengland.co.uk.

Tax

Banks and building societies are required by law to deduct income tax from interest before they pay it to you. Non-taxpayers can arrange for interest to be paid gross (before tax) by completing form R85 – available from your bank, building society or HM Revenue & Customs. Or, if you're on a low income, you may be able to claim tax back – see *Useful contacts* on page 37.

Investing

This is for the longer term – and usually means putting your money into schemes or funds based on the performance of the stock market.

You take a risk by investing your money in assets, which could rise or fall in value.

You need to be willing to tie up money that you don't need immediately, and take some risk to get a better return. You also need to balance the risk of a short-term loss against the chance of a long-term gain.

There are different types of investment including pensions, some life insurance, investment ISAs, investment funds and employee share schemes.

How your money grows

Unlike savings accounts, there is no guarantee you will get a return on your investment, or even get back as much as you put in.

However, you may get a greater return than you would with savings, giving you better protection against inflation in the long term.

Risk and reward

Risk and reward generally go hand in hand. The more risk you are prepared to take, the higher the potential reward.

If you are not prepared to lose any of your money under any circumstances, then you have to accept a lower level of return.

If you see an investment promising a high return at little or no risk, be very wary. The old saying 'if it looks too good to be true, it probably is' almost always applies to investments.

Spreading the risk

You can't eliminate risk with investments, but you can reduce it by diversifying your investments, which simply means spreading the risk over a range of investments – in other words, not putting all your eggs in one basket.

What may be a small risk to one person may be huge to another. You must decide what level of risk you are personally willing to take.

You may wish to consider getting professional advice – see *Getting financial advice* on page 28.

For more information about saving and investing, get our **Saving and investing** guide – see *Useful contacts* on page 37.

Key points

- Saving tends to be for short-term goals or if you want to minimise the risk to your money.
- Check savings rates on our online **Comparison tables** or try out our new **Savings calculator** at www.moneymadeclear.org.uk.
- Investing is for the longer term. Different investments have different levels of risk.

Planning for retirement

It's never too early to start saving for your retirement. The most common way is to save in a pension, although there are other ways.

What is a pension?

A pension is a long-term investment which you usually pay into throughout your working life. Depending on the type of pension, your employer may also pay into it. You get tax relief on money you pay in and your money is invested in stocks, shares and other investments to try to make it grow. When you retire, your pension fund is usually converted into pension income which is paid to you until you die.

The earlier you start saving the better, but it's almost never too late to start.

What the State provides

If you're working, you will probably be paying National Insurance contributions (NICs). Part of these payments goes towards paying for a basic State Pension. You can also be credited with NICs if, for example, you've spent time out of the workplace to care for someone or have been claiming certain benefits.

If you are, or have been, employed, you may also be building up an extra State Pension called the State Second Pension (formerly SERPS). The amount of State Second Pension you get depends on your earnings and your NIC record. Self-employed people cannot build up extra pension through the State Second Pension.

If you're an employee, you are automatically included in the State Second Pension, unless:

- you personally decide to leave it (called 'contracting out'); or
- your employer's occupational pension scheme is contracted out and you are a member of that scheme.

If you have contracted out yourself, you should review your decision each year to ensure it is still right for you.

The option to contract out of the State Second Pension will be removed from 6 April 2012, but final-salary schemes will keep the option.

For more information, get our guide **The State Second pension – should you be contracted out?** – see *Useful contacts* on page 37.

For more information on State Pensions call the Pension Service on 08457 313 233 or see Directgov's website at www.direct.gov.uk.

Mind the 'pensions gap'

A State Pension is a start, but it may not be enough to give you the standard of living you want. So you'll need another source of income as well.

Starting a pension

If you work for an employer with five or more employees, your employer has to offer you access to a pension scheme. It may be:

- a salary-related occupational pension (also known as final salary or defined benefit);
- a money-purchase occupational pension (also known as defined contribution);
- a money-purchase group personal pension; or
- a money-purchase stakeholder pension.

Although you don't have to join it, it's usually a good idea to do so because your employer normally contributes and you often get other benefits as well as a pension.

Find out from your employer what they offer and how you can join. With all pensions you:

- get tax relief on what you pay in (in the current tax year 2010/11 the taxman will add £20 to your fund for every £80 you put in);
- can't touch the money in the fund until age 55;
- can usually take part of your pension fund as a tax-free lump sum at retirement; and
- have choices to make about when to take your pension income.

Your pension income may be taxable when you come to draw it.

For more information about your employer's pension, speak to your personnel department.

If your employer does not offer a pension scheme, you may want to start your own personal or stakeholder pension. You will usually need to talk to a financial adviser to arrange this – see *Getting financial advice* on page 28.

How much to save

You'll usually get a statement each year from your pension provider with details of your possible income in retirement. Use this to decide whether you need to top up your pension.

Topping up your pension

If you find you do need to top up your pension, there are several ways of doing this. If you are in an occupational scheme, your employer may offer an Additional Voluntary Contribution (AVC) arrangement, or you can pay into a Free-Standing Additional Voluntary Contribution (FSAVC) arrangement (which is similar to an AVC arrangement but is provided by someone other than your employer).

Alternatively you can pay into a personal or stakeholder pension.

The cost of delay

The later you leave starting a pension, the more you will have to save to get the retirement income you want. This is because your pension fund will have less time to grow. For example, if you start saving at age 30 or 40, you would have to pay 16% and 27% respectively of your income into a pension fund to get the same retirement income that you would get if you started at age 20 and paid only 10%. Your actual retirement income will also depend on whether you are male or female and what return your investments make.

For more information about the different types of pension available, get a copy of our **Pensions** guide – see *Useful contacts* on page 37.

Pension changes

In future all employers will have to offer and contribute to a pension in order to help more people save for their retirement. Employers who haven't offered an occupational pension in the past may set up their own scheme, or may pay pensions into a new central scheme called National Employment Savings Trust (NEST). The requirement on employers will be introduced in stages from 2012 although at time of writing a three-month review into some of the provisions relating to NEST has been announced. For more information on what this means for you see The Pensions Advisory Service's website at www.pensionsadvisoryservice.org.uk. For more information about NEST, see the Personal Accounts Delivery Authority's website at www.padeliveryauthority.org.uk.

Retiring soon

If you're coming up to retirement, you may think you did all your planning some time ago. However, you still have options for making more of your money.

You can delay taking your State, personal or stakeholder pension, and possibly your occupational pension. This will allow your pension fund to build up further.

You may be able to take your pension(s) and carry on working, so check with your scheme.

If you have to buy an annuity to provide your pension income, you can shop around to get the best deal for you based on your own circumstances. Your provider or pension scheme trustees will tell you if this applies to you. You can compare annuity rates using our online **Comparison tables** at www.moneymadeclear.org.uk.

If you are nearing retirement, read our **Retiring soon** guide to find out what choices you have. Also, our **Retirement options** guide explains the different types of annuity you can choose from – see *Useful contacts* on page 37.

Boosting your retirement income

There are a number of ways you can boost your retirement income. One of these is by using equity release schemes. These allow you to convert some of the value of your home into either a lump sum or monthly income without having to move out. But they are complex products and are not suitable for everyone. For more information get a copy of our **Equity release schemes – raising money from your home** guide – see *Useful contacts.*

Key points

- Find out what pension scheme your employer offers and how you can join it.
- It's usually a good idea to join your employer's scheme because they normally contribute to it as well as you.
- Retirement can last for 20-30 years, sometimes longer, so you need to be prepared.
- Compare annuity rates using our **Comparison tables** at www.moneymadeclear.org.uk.

Getting financial advice

Financial advice is when a professional adviser assesses your personal circumstances and recommends financial products that are suitable for you. The adviser will then give you their recommendation in writing.

See *Useful contacts* on page 37 for details of how to find an adviser on your area.

To help advisers give you good advice, you'll have to give them some detailed information about your personal financial situation and be willing to answer some questions about your financial goals and attitude to risk.

Who can give financial advice?

Firms giving financial advice must be regulated by the Financial Services Authority (FSA), or be agents of regulated firms, and they have to meet certain standards which the FSA sets.

It sets standards for how firms should give you financial advice for most types of insurance, mortgages and investments (such as personal pensions, life insurance and annuities).

Some firms may give advice on all three product types, while others may only give advice on one or two of these.

Mortgage advisers and insurance brokers can advise on mortgages and/or insurance but can't give advice on investments such as pensions.

You'll usually have to pay for this advice, either in the form of a fee, commission or a combination of both, but the firm will explain this.

Always make sure that a firm is regulated by the FSA before you do business with them. You can do this by checking the FSA Register at www.fsa.gov.uk or by calling 0845 606 1234.

If they aren't regulated by the FSA, you won't have access to complaints and compensation procedures if things go wrong.

What isn't financial advice?

General product information that you gather yourself isn't financial advice, whether it's from banks, building societies, insurance or investment companies. This is because it won't take into account your particular circumstances.

Buying without advice

If you buy a financial product without professional advice, you'll have fewer grounds for complaint if the product turns out to be unsuitable.

Buying with advice

If you do take advice and then find that the product wasn't suitable, you may have grounds to make a complaint and receive compensation for any loss. You can help prepare yourself for seeing a financial adviser by thinking about your needs and priorities. Our **Getting financial advice** guide can help you get started with some questions to ask yourself and an adviser – see *Useful contacts* on page 37.

Key points

- Always check that the firm is regulated by the FSA before handing over your money.
- Ask questions if anything is not clear – it's your money and you're paying for the service.
- If a deal sounds too good to be true, it usually is.
- Use our website and guides for clear, impartial information about financial products and services to help you know what to expect and what questions to ask – see www.moneymadeclear.org.uk.
- If you can't find what you're looking for on our website or in this guide, or if you have a question about money, call one of our trained Money Guides on 0300 500 5000.

If things go wrong

Bank and building society accounts

The FSA regulates the way banks and building societies do business with you. Get a copy of our **Your bank account** guide to find out what your rights and responsibilities are and what banks and building societies should do – *see Useful* contacts on page 37.

Investments, mortgages and insurance

Financial advisers and providers have to meet the FSA's standards when advising on or selling investments, mortgages or insurance to you, so that you get the right product based on your circumstances. Read our **Getting financial advice** guide for more information – see *Useful contacts*.

Credit card purchases

When you use a credit card to buy something, both the lender (your card issuer) and the supplier (the people you're buying from) are responsible for your purchase.

This means that if anything goes wrong with the supplier, you can get your money back from the lender. For example if the goods are not delivered or are faulty, you can claim your money back from either the lender or the supplier. This could be useful if, say, the supplier goes bust.

You are entitled to this protection by law (under Section 75 of the Consumer Credit Act 1974), but there are exceptions. The credit card company is only liable for goods or services costing between £100 and £30,000. It also only covers credit cards, not charge cards and debit cards. If the matter is not resolved to your satisfaction, you may be able to take your complaint to the Financial Ombudsman Service – see www.financial-ombudsman.org.uk.

Complaints

If something goes wrong, contact the firm as soon as possible. They have a procedure to follow when dealing with complaints.

If you're not satisfied with their response, you may be able to take the matter to the Financial Ombudsman Service.

The firm should give you the details of this free service or you can get our **Making a complaint** guide – see *Useful contacts* on page 37.

Compensation

If a UK financial services firm is unable, or likely to be unable, to pay claims against it, you may be able to get compensation from the Financial Services Compensation Scheme (FSCS).

Savings

The FSCS can pay compensation for financial loss of up to £50,000 for deposit claims. But if you owe money to the failed firm (for example loans, mortgage or credit card debts), this is taken into account before any compensation is paid.

If you hold multiple accounts in banks that are part of a larger group, the following applies.

- If each of the banks is separately authorised by the FSA, the FSCS would pay compensation up to the limit of £50,000 per person, per authorised institution.
- If each of the banks is not separately authorised but is covered by the parent company's authorisation, the FSCS would pay compensation up to the limit of £50,000 once, irrespective of how many different institutions a person held accounts with.

If you have a question about how a bank or building society is authorised, call the FSA consumer helpline on 0845 606 1234.

If things go wrong

Insurance and investments

The FSCS also covers:

- life and general insurance policies;
- general insurance advice and arranging (for business on or after 14 January 2005);
- connected travel insurance – where the policy is sold by travel firms and holiday providers (for business on or after 1 January 2009);
- investment business; and
- home finance advice and arranging (for business on or after 31 October 2004).

Different rules and compensation limits apply depending on what the claim is for. The FSCS cannot always cover 100% of your loss. For details, see the FSCS website at www.fscs.org.uk.

For complaints and compensation arrangements for credit unions in Northern Ireland, check with the Registry of Credit Unions and Industrial Provident Societies – see *Useful contacts* on page 37.

Protecting your identity

Identity theft is where someone impersonates you without your knowledge or consent, or uses your personal information to obtain money, goods or services.

You can protect yourself against identity theft by using your passwords, credit card information, PIN and other security information carefully.

Never throw away whole bills, receipts, card slips, or bank statements. Criminals sometimes go through bins and use this information to pretend to be you.

If your identity is stolen, you may have difficulty getting loans, credit cards or a mortgage until the matter is sorted out. For more information, see the Home Office's **Identity Theft** website at www.identitytheft.org.uk.

Jargon buster

Some key words and phrases explained.

Additional State Pension
A pension paid on top of your basic State Pension. It used to be called SERPS but is now called the State Second Pension. Self-employed people cannot build up an additional State Pension.

Annual equivalent rate (AER)
The rate of interest earned within a year, irrespective of how often interest is added to your account. The higher the AER, the better the return.

Annual percentage rate of charge (APR)
This shows the overall yearly cost of borrowing, taking into account the term, interest rate and other costs.

Annuity
Converts a lump sum (for example your pension fund) into regular income, which is taxable.

AVCs
Additional Voluntary Contributions – a pension top-up for an occupational pension. You pay contributions into a scheme run by your employer to boost your main pension.

Bonds
A loan to a company or the government.

Buildings insurance
Pays the cost of repairing or rebuilding your home if it is damaged by unforeseen events (as detailed in the insurance policy).

Capital (for investments)
The overall amount of money invested.

Capital (for mortgages)
The amount you borrow.

Chip and PIN
Credit cards carry a special chip for security. When you use the card, you must enter a PIN (personal identification number), which only you know.

Compound interest
Interest on the amount you've paid into a savings account plus any interest it has already earned.

Contents insurance
Pays out up to certain limits if you lose or damage things in your home, and may cover legal expenses if you're involved in a dispute. You can usually extend cover if your possessions are taken outside the home.

Contracting out
The facility to leave the State Second Pension (or SERPS) and build up benefits in a personal pension instead.

Defined-benefit pension scheme
Another name for a salary-related occupational pension scheme, where what you get when you retire depends on your earnings and years of membership of the scheme.

Deferred annuity
An annuity that starts some time in the future, usually at a specified retirement age.

Defined-contribution pension scheme
Another name for a money-purchase occupational pension scheme where you know how much you and (in some cases) your employer contribute.

Direct Debit
An instruction you give to your bank or building society to make regular payments to someone from your account. Unlike a standing order, you agree that the person or firm you are paying can vary this amount each month.

Diversification
Spreading your investments across different asset classes (shares, bonds, property, or cash deposits), or types of investments within an asset class.

Disposable income
Amount of money you have left after tax and other expenses.

Early-repayment charge
A charge you may have to pay if you pay back a mortgage early (including if you move to another lender).

Equities
Another name for shares in a company.

Excess
The part of an insurance claim that you have to pay yourself. This might be a compulsory or voluntary excess in exchange for a reduction in premium. Your policy document must state how much this is.

Exclusion
A particular loss or risk that an insurance policy does not cover.

Fixed rate
An interest rate that is fixed (so it doesn't move up or down) for a set period of time.You may find this in savings or mortgages.

Gross
The total amount before anything is deducted (for example tax or charges).

Income tax
A compulsory tax on income. Earnings, pensions and income from investments may be taxed.

Inflation
Inflation happens when prices go up throughout an economy. This means that the same amount of money will buy less each year.

Interest
A charge for borrowing money or a reward for saving money. It is usually shown as a percentage of the amount borrowed or saved.

Liquid assets
Cash or assets that can readily be converted into cash.

Maturity (date)
The date when a debt or policy becomes due for payment.

Pension transfer
Moving your benefits from one scheme or plan to another. In most cases this alters the package of benefits, so it's important to compare what is on offer under each arrangement. You'll need to get specialist advice from a financial adviser.

Pooled investments
A way of putting contributions of various amounts from lots of people into a single investment fund. There are different types and they work in different ways.

Return
The amount you gain by investing or saving your money.

Secured loan
When a loan is 'secured' on an asset, usually your home, the lender can repossess this asset and sell it to get its money back if you don't keep up your repayments.

SERPS
State Earnings Related Pension Scheme – an additional State Pension for employees, based on earnings and NIC record. Now called the State Second Pension.

Shares
A stake or share in a company.

Stakeholder pension
A type of personal pension that has to meet certain standards set by the government.

Stamp Duty Land Tax
A government tax that homebuyers must pay on properties above a set price.

Standing order
An instruction you give to your bank or building society to make regular payments to someone from your account, for example to pay bills. Unlike a Direct Debit, the person or firm you are paying cannot vary this amount – only you can.

Stocks
Another term for shares or bonds.

Tax year
From 6 April one year until 5 April the following year.

Unsecured loan
Unlike a secured loan, the loan is not linked to your home or other assets, but you are still responsible for repaying it.

No selling.
No jargon.
Just the facts about making the most of your money.

Moneymadeclear™

Useful contacts

Consumer Financial Education Body (CFEB)

To order other Moneymadeclear™ guides or for general information or guidance

Helpline: 0300 500 5000
Typetalk: 1800 1 0300 500 5000

(Calls should cost no more than 01 or 02 UK-wide calls, and are included in inclusive mobile and landline minutes)

Other Moneymadeclear™ guides

- Borrowing money
- Equity release schemes
- Getting financial advice
- Home purchase plans
- Insurance
- Making a complaint
- Mortgages
- Pensions
- Retirement options
- Retiring soon
- Saving and investing

For more titles, call us or go online www.moneymadeclear.org.uk

On our **Moneymadeclear™** website you can find

- a Budget calculator;
- a Loan calculator;
- a Mortgage calculator;
- a Debt test;
- a Financial healthcheck; and
- Comparison tables.

Go to **Tools & calculators** at www.moneymadeclear.org.uk

If you are thinking of starting a family, take a look at our **Parent's guide to money** website. It has lots of information, resources and calculators to help you plan, budget and save – see **www.parentsguidetomoney.co.uk**

Quick guide to the main benefits and entitlements www.parentsguidetomoney.co.uk/entitlement/quick_guide_to_the_main_benefits.html

Or get your free **Parent's guide to money** from your midwife if you're an expectant mum.

Call rates may vary – check with your telephone provider.

Financial Services Authority (FSA)
0845 606 1234
Minicom/Textphone: 0845 730 0104
www.fsa.gov.uk
To check the FSA Register, or to report misleading financial adverts or other promotions.

For information about borrowing and consumer issues

Consumer Direct from the Office of Fair Trading (OFT)
0845 404 0506
Minicom/Textphone: 0845 123 1384
www.consumerdirect.gov.uk

Government-funded telephone and online service offering information and advice on consumer issues.

To check a lender is licensed
OFT Consumer Credit Register
0845 722 4499
www.oft.gov.uk/consumercreditregister

Directgov – Stop Loan Sharks
0300 555 2222
www.direct.gov.uk/stoploansharks

Report a loan shark in confidence or for help and advice.

To get your credit rating

Experian Ltd
Consumer Help Service
Talbot House, Talbot Street
Nottingham, N80 1TH

0844 481 8000
www.uk.experian.co.uk

Equifax plc
Credit File Advice Centre
PO Box 1140, Bradford, BD1 5US

www.equifax.co.uk

Callcredit plc
Consumer Services Team
PO Box 491, Leeds, LS3 1WZ

0870 060 1414
www.callcreditcheck.co.uk

Help with debt

AdviceUK
Links to advice services across the UK.

www.adviceuk.org.uk

Citizens Advice Bureau
See phone book or website for local branch.

www.adviceguide.org.uk

Consumer Credit Counselling Service
0800 138 1111
www.cccs.co.uk

National Debtline
0808 808 4000
www.nationaldebtline.co.uk

Money Advice Scotland
0141 572 0237
www.moneyadvicescotland.org.uk

Pension planning

The Pensions Advisory Service
0845 601 2923
Women & Pensions: 0845 600 0806
www.pensionsadvisoryservice.org.uk

For information on State, company, personal and stakeholder pensions, and for help with problems or complaints about pensions.

The Pension Service
0845 731 3233
www.direct.gov.uk/pensions

For booklets and information on State pensions.

The Pension Tracing Service
0845 600 2537
Minicom/Textphone: 0845 300 0169
www.direct.gov.uk/pensions

To trace pensions.

Pension Forecasting Team
0845 300 0168
Minicom/Textphone: 0845 300 0169
www.direct.gov.uk/pensions

For a State Pension forecast.

The Pensions Regulator
0870 606 3636
www.thepensionsregulator.gov.uk

For information about work-based pensions.

Insurance

Association of British Insurers (ABI)
www.abi.org.uk

For information on insurance products.

British Insurance Brokers' Association
0870 950 1790
www.biba.org.uk

Find an insurance broker.

Institute of Insurance Brokers
www.iib-uk.com

Find an insurance broker.

Mortgages

Council of Mortgage Lenders (CML)
www.cml.org.uk
Leaflet: Adverse credit mortgages

HM Revenue & Customs (HMRC)
0845 603 0135
www.hmrc.gov.uk/so/faqs.htm

For details about Stamp Duty Land Tax.

Tax credits, State benefits and other public-service information

Directgov
www.direct.gov.uk

Provides information from across UK government departments.

Citizens Advice Bureau
www.adviceguide.org.uk

See phone book or website for local branch.

Child Trust Funds
0845 302 1470
www.childtrustfund.gov.uk

Turn2Us Grant Search
0808 802 2000

www.turn2us.org.uk/grants_search.aspx

Finding financial advisers/planners

Unbiased.co.uk
www.unbiased.co.uk

For independent financial advisers or mortgage brokers in your area.

Institute of Financial Planning
www.financialplanning.org.uk

For help in planning your finances.

MyLocalAdviser
www.mylocaladviser.co.uk

For financial advisers in your area.

The Personal Finance Society
www.findanadviser.org
For financial advisers in your area.

Ethical Investment Research Service (EIRIS)
www.yourethicalmoney.org

Information about product providers and other sources that provide ethical investments.

Protecting yourself from identity theft

Home Office Identity Fraud Steering Committee

www.identitytheft.org.uk

Action Fraud
0300 123 2040

www.actionfraud.org.uk

Information Commissioner's Office
www.ico.gov.uk

Personal Information Toolkit.

Other organisations that can help

Choosing and Using
www.choosingandusing.com

Online guide to credit cards.

Community Legal Advice
0845 345 4345

www.communitylegaladvice.org.uk

Free, confidential and independent legal advice for residents of England and Wales.

Consumer Focus
www.consumerfocus.org.uk

Compare costs of gas and electricity.

Lenders Compared
www.lenderscompared.org.uk

For home collected and other loans.

Community Development Finance Association
www.cdfa.org.uk

To get a CDFI loan.

Department for Work and Pensions
http://php.dwp.gov.uk/other-specialists/the-growth-fund/growth-fund-contracts/contracts.php

To find a Growth Fund lender.

Taxaid
0845 120 3779
www.taxaid.org.uk

Free tax advice.

HM Revenue & Customs (HMRC)

ISA helpline: 0845 604 1701
Tax on savings interest: 0845 980 0645

www.hmrc.gov.uk/leaflets/isa-factsheet.pdf

The Law Society
The Law Society's Hall
113 Chancery Lane, London, WC2A 1PL

020 7242 1222
www.lawsociety.org.uk

The Law Society of Northern Ireland
40 Linenhall Street, Belfast, BT2 8BA

028 9023 1614

www.lawsoc-ni.org

The Law Society of Scotland
26 Drumsheugh Gardens
Edinburgh, EH3 7YR

0131 226 7411
www.lawscot.org.uk

Complaints and compensation

Financial Ombudsman Service
South Quay Plaza
183 Marsh Wall, London, E14 9SR

0845 080 1800 or 0300 123 9123
www.financial-ombudsman.org.uk

Financial Services Compensation Scheme (FSCS)
7th Floor, Lloyds Chambers
Portsoken Street, London, E1 8BN
020 7892 7300 or 0800 678 1100
www.fscs.org.uk

The Registry of Credit Unions and Industrial Provident Societies
Department of Enterprise, Trade and Investment
1st Floor, Waterfront Plaza
8 Laganbank Road, Belfast, BT1 3BS

028 9090 5434
www.detini.gov.uk

For credit unions in Northern Ireland.