

Managing Your Money

Banking

Having a bank account is a very good way of managing your money, but remember:

- If you owe money to your bank or building society, make sure that none of your income goes into that account. This is because banks and building societies could take money from your account to pay off your debt to them. This may leave you with too little money to live on and pay essential bills.
- If you are struggling financially, avoid accounts that charge you for using them. Such packaged accounts often come with perks but free current account banking is still available.
- Even if your credit rating is poor, you can open a basic account that will give you a debit card which you can use in shops etc. and will let you pay bills by direct debit or standing order. Basic accounts do not usually offer cheque books or overdraft facilities but can be opened by people with debts. Visit <http://bit.ly/2askOqw> for a list of basic bank accounts.

Prioritising your payments

You have to prioritise certain payments over others because of what happens if you don't pay.

- Rent or mortgage arrears can lead to your home being repossessed
- Council tax, fines or maintenance arrears can lead to bailiffs and imprisonment
- Gas or electricity arrears can lead to your supply being disconnected
- Income Tax or VAT arrears can lead to bailiffs or bankruptcy
- Hire purchase arrears can lead to essential goods being repossessed.

TV Licence

Paying for your TV licence is a priority because you can be fined in the magistrates' court for not having a licence. This can lead to bailiffs calling or imprisonment if you don't pay the fine. As well as having a fine to deal with, you will still need a TV licence.

- You can pay your licence weekly, fortnightly, monthly or every three months.
- You get 50% off your TV licence if you are registered blind and it is free if you're over 75.
- You can use a TV Licensing savings card to make payments at Pay Point outlets in shops. To apply for a TV Licensing savings card, contact 0300 555 0281
- You can pay by direct debit either every three months or every month from your bank account. Visit their website: www.tvlicensing.co.uk or call 0300 790 6144.

The payment card method allows you to make payments every week or two weeks. Contact the cash payment plan helpline on 0300 555 0286 or check the TV licensing website.

Gas and Electricity Bills

Gas and electricity bills are priorities. Your supply can be disconnected if you don't pay.

You can arrange to pay bills every week, every 2 weeks, or every month. You can pay by direct debit, standing order, payment card and pre-payment meters. If you get certain benefits, you can pay via direct deductions from benefits. Your supplier must consider your ability to pay.

What can you do if you are struggling to pay your energy bills?

Energy efficiency:

Being energy efficient can help to save money. Turning appliances off standby can save you on average £30 per year and boiling the kettle with the water you need can save you £50 a year!

If you are a home owner or are living in privately rented accommodation, you may be able to apply for a grant for energy efficiency improvements in your home like insulation. You can get energy efficiency advice by contacting the Energy Saving Advice Service on 0300 123 1234.

Discounts:

You can receive **discounts** on your energy bills for paperless billing, online accounts and direct debit payments. You should also check with your supplier that you are on the cheapest tariff.

Warm Homes Discount. This is £140 off electricity for eligible customers. People on Pension Credit automatically get the discount (on or before 31st March). Other people need to apply for it. Check if you are eligible at <https://www.gov.uk/the-warm-home-discount-scheme/eligibility>

Energy Trust funds can help with grants to clear fuel arrears and may also award grants for energy efficient white goods. Contact our Energy Advice Team on 0161 672 1234 for advice.

Switching:

You could save on average £250 per year by switching supplier. If you have arrears with your supplier you can switch if you are a credit customer and your debt is less than 28 days old.

If you are a pre-payment customer and your debt is £500 or less (per fuel), you can switch supplier. Any debt will be passed to your new supplier. Use any free comparison website that is Ofgem accredited. You can find more information at <http://www.goenergysshopping.co.uk/>

Priority Services Register:

If you have health problems, are of pension age or have young children living in your property, you can register on the Priority Services Register. This will highlight vulnerability to your supplier who can offer you more support and they can read your meters more often.

Best deals for insurance

The best way to cut the cost of any insurance is to shop around. One efficient way to do this is to use price comparison websites. <https://www.moneyadvice.service.org.uk/en/articles/how-to-buy-insurance-using-comparison-sites> is a link to a useful guide on how best to use these sites. Many companies will allow to spread the cost by paying monthly but you will pay more overall.

If you are a council or housing association tenant looking for home contents insurance, check with your landlord whether they offer cheap home contents insurance to their tenants.

Best Deals for your Phone Calls

Check that your phone contract is the best you can find. You may be able to make savings if you switch phone companies. Another way to cut costs is to use an 'Override Provider'. You won't have to change your phone line, but by dialing a prefix number, you could cut the cost of daytime calls and calls to mobiles. Other ways of cutting your phone bills include:

- Paying by direct debit.
- Using the internet. If you have access to the internet, you may be able to talk for free using software such as Facetime, Skype, Viber or WhatsApp.
- Checking your contract. Are there extras such as voicemail that you don't really need? If you have an expensive 'unlimited anytime' package, do you really need it?
- Seeing if your phone company has a social tariff. This may be helpful if you are on certain benefits and only use your phone occasionally.
- Switching to paperless billing. Agreeing to get your online bills, could save you money.

If you use directory enquiries, re-dial on the number they have found for you, instead of asking them to transfer your call.

If you have a bill that you cannot afford to pay and you want to keep the phone line, ask your phone company if you can pay by instalments. Your phone company may be more likely to agree if you set up a monthly payment plan, perhaps by direct debit. They may also agree to let you have only incoming calls for a short time to help reduce your bills.

Best Deals for Broadband

Lots of companies offer broadband. Shop around for the best deal. You usually also have to pay for line rental, and some providers offer digital TV packages too. Check if you can get a better deal paying for these separately where possible. Make sure any usage cap is suitable for you, to avoid further charges. If your current contract is finishing, ask for a better deal.

Ofcom recommend a number of price comparison websites, visit: www.ofcom.org.uk

Help with Water Bills

You may be able to reduce your water bill or get help with water debt in the following ways:

- United Utilities have a range of schemes to help you if you are struggling to pay your bill. <http://www.unitedutilities.com/difficulty-paying-bill.aspx> is a link to all of these. They include ways of keeping your bills down such as **Watersure** (if you have a large family or someone in the family uses more water due to a medical condition) or the **Help to Pay Scheme** (if you get Pension Credit). If you have arrears, there is an **Arrears Allowance Scheme** (where they pay a £1 off your arrears for every £1 you pay) to get your arrears paid more quickly or a **Trust fund** that can make a one-off payment off your arrears.
- Water meters only charge you for the water you actually use. This could make your bills cheaper, especially if you are a small household or you live alone. For more information, follow this link: <http://www.unitedutilities.com/is-a-meter-right-for-me.aspx>. If they can't fit a water meter at your property, ask United Utilities about an assessed charge.

If you need more support due to ill-health, disability, mental health problems, language barriers etc. you can register on the United Utilities Priority Services Register for more help and support.

Travel Costs

If you use public transport, you may be able to save money by buying a weekly, monthly or annual travel pass. Some employers have schemes to make it easier to pay.

Cycling is free but bicycles can be expensive. Some employers may use a scheme to help reduce and spread the cost.

Running a car can be very expensive. Make sure your budget allows for costs such as road tax and MOTs. It is important to save regularly, so you have money to pay for any repairs that are needed. Avoid using your car if you can.

Saving

Allow yourself an affordable weekly or monthly amount in your personal budget for occasional costs like Christmas, birthdays or car repairs. Also try to put something aside for unexpected costs and emergencies if you can.

You could save in a bank or building society account and be paid interest on your savings. Shop around for the best deal or visit: www.unbiased.co.uk

See if there is a local credit union you can join. Credit unions are saving schemes run by their members which also allow you to borrow twice more than you have saved, at a low interest rate. Interest rates are low and they will also normally pay out a dividend to you once a year. The amount you get depends on how much you've saved. Contact the Association of British Credit Unions Ltd on 0161 832 3694 to find a credit union near you, or visit: www.abcul.org

With some types of savings accounts you may not be able to get your money back out straight away, or may be penalised for taking out money earlier than agreed. Make sure the savings option you choose will be suitable for you. The Money Advice Service can give you advice about different ways of saving. Visit: www.moneyadvice.service.org.uk

Christmas can stretch the family budget. Some supermarkets and shops have Christmas saving schemes you can join. Some catalogue companies do hampers for Christmas which you can buy over a year. There are also Christmas clubs or schemes where you save though the year to pay for Christmas. However, Christmas clubs are not regulated by the Financial Conduct Authority and you may have no redress if things go wrong.

Here are some Golden Rules

- ✓ Don't ignore the problem - it won't go away. The longer you leave it, the worse it will get.
- ✓ Don't borrow money to pay off your debts without thinking carefully. Get advice first.
- ✓ Make sure you tackle your priority debts first, for example, debts which could mean losing your home or having your electricity or gas cut off.
- ✓ If you are falling behind with your bills and worried about how to pay your credit debts, Contact us for advice.