



PLANT YNG NGHYMURU
CHILDREN IN WALES

Money- I need some!

A young person's guide

Resource 3 of 12



You may also like to read these resources:

- Budgeting
- Benefits and Entitlements
- Benefits and Entitlements- education
- Money- putting some aside

Getting Ready Project



We would all like to have more money, but there may be times when you really need money. This guide will talk about what options you have for getting the money you need. To begin with, we will look at the sources of money.

Grants

Depending on your current income from benefits or a job, you may be able to get access to a grant. A grant is money you receive to help you pay for a specific item. **You do not have to pay a grant back**

- Speak to your Personal Advisor about what grants you may be entitled to from the local authority
- See our resource for parents if you have a child
- See our resource on benefits and entitlements to see what you may be able to get towards energy costs
- The Princes Trust offer grants towards some basic costs of training or a new job
- Capston Care Leavers Trust offer grants to care experienced young people for essential items

Employment

If you are in work and you need more money you may want to try:

- Asking if there is any overtime available in the coming weeks
- Checking you are receiving what you are entitled to by going to our Benefits and Entitlements- employment resource.
- Checking whether you can claim some benefits at the same time as working. See our resource on employment or contact your local Citizens Advice

Benefits

Whether you work or not, you may be able to claim some benefits.

To check you are getting what you are entitled to see:

- our Benefits and entitlements resources
- Speak with your Personal Advisor
- Speak to your Work Coach at the Job Centre
- Speak to your local Citizens Advice

Loans

There are different places you can get a loan, which will be discussed on the next few pages.

There are typically two types of loan:

- **Secured loan**- this is when the company puts an 'asset' i.e. a house or car, against what you are borrowing. If you don't keep up with payments they can take your car/house
- **Unsecured loan**- you do not have to put an 'asset' against it. If you don't keep up with payments there will be extra charges.
- Always speak to your personal advisor before applying for a loan

Selling items

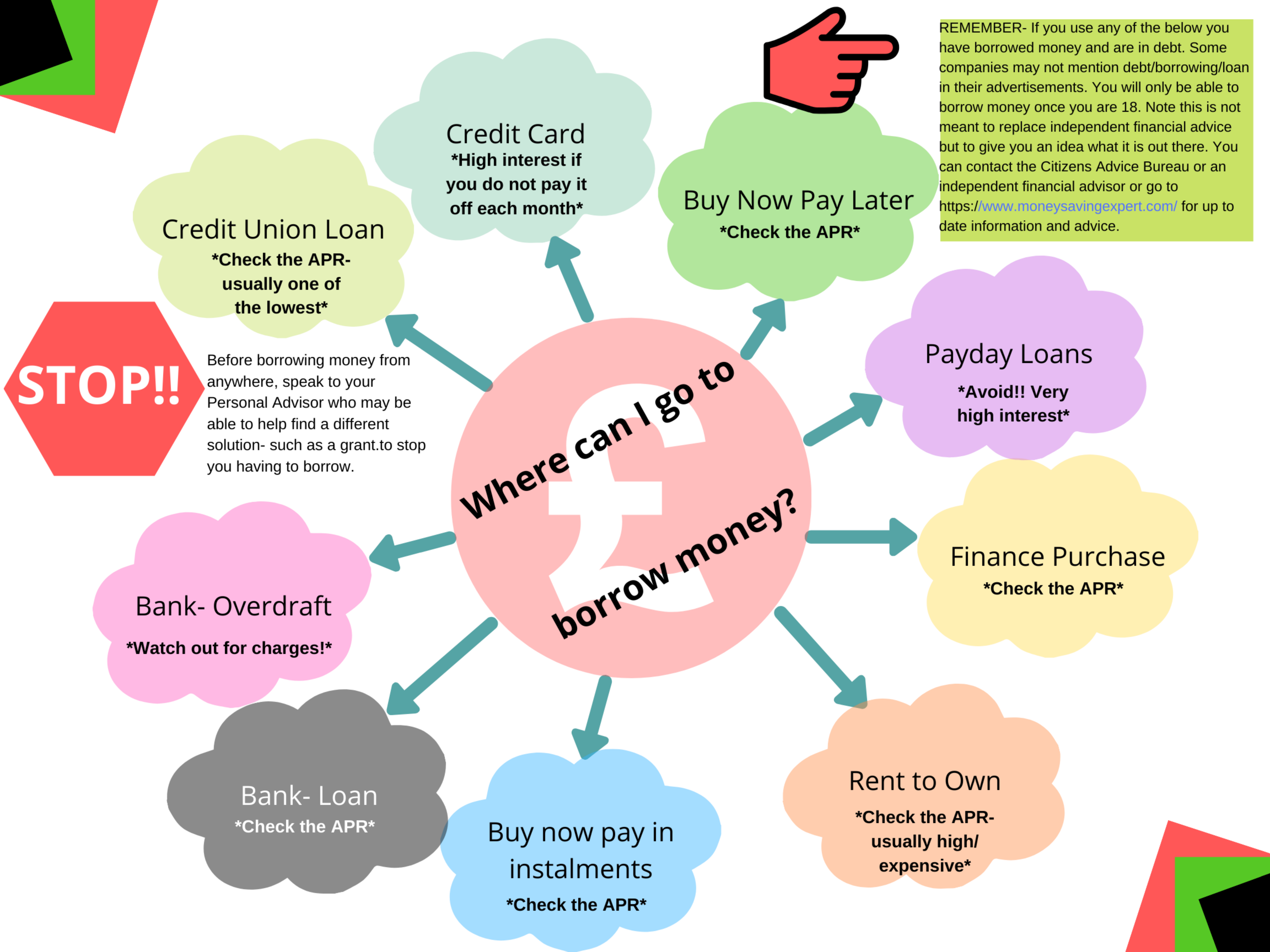
If you have some things in your house you no longer use such as clothes or computer games try selling them to raise much needed money.

Places you can try selling items include:

- eBay
- Facebook- buy/sell groups
- Shpock
- A local computer game exchange store

Junior ISA/ Child Trust Fund

- If you have been in care for over 12 months a Junior ISA will have been set up for you by the local authority OR you will have a Child Trust Fund
- These are a type of savings account opened with an amount from Welsh/UK Government
- It could then be topped up until you are 18 by foster carers etc
- Once you turn 18 you can get all of the money if you need it now, or you can save it elsewhere for when you need something



STOP!!

Before borrowing money from anywhere, speak to your Personal Advisor who may be able to help find a different solution- such as a grant. to stop you having to borrow.

REMEMBER- If you use any of the below you have borrowed money and are in debt. Some companies may not mention debt/borrowing/loan in their advertisements. You will only be able to borrow money once you are 18. Note this is not meant to replace independent financial advice but to give you an idea what it is out there. You can contact the Citizens Advice Bureau or an independent financial advisor or go to <https://www.moneysavingexpert.com/> for up to date information and advice.

Where can I go to borrow money?

Credit Union Loan
Check the APR- usually one of the lowest

Credit Card
High interest if you do not pay it off each month

Buy Now Pay Later
Check the APR

Payday Loans
Avoid!! Very high interest

Finance Purchase
Check the APR

Rent to Own
Check the APR- usually high/ expensive

Buy now pay in instalments
Check the APR

Bank- Loan
Check the APR

Bank- Overdraft
Watch out for charges!

STOP!!

Key things to remember

Whether you borrow £10 or £1000 you have entered into a loan.

You **MUST** keep up with your weekly/monthly payments

If you don't:

- **There will be extra charges**
- **The company may take you to court**
- **It will affect your chances of borrowing money in future**

- Do you need what you are looking to buy or is it just something you want?
- Don't borrow money for something you want.
- If it is something you need, speak to your personal advisor first.

No matter how desperate you are for money, **DO NOT** use a door step lender (loan shark). They are illegal lenders: will use harassment to get money back and may continue to say you owe money after you have paid it back. For more information

- www.direct.gov.uk/stoploansharks
- Speak to your Personal Advisor
- Contact your local Citizens Advice

BORROWING MONEY

Before borrowing money from anywhere, speak to your Personal Advisor who may be able to help find a different solution- such as a grant.



On this page we will look at loans you can take for a variety of purposes. There is no guarantee you will be able to use some or all of the below.

Bank- overdraft

This is meant as a short term safety net in your current account. You may agree this with your bank in advance.

- **Agreed overdraft**- you have agreed a set amount that you can go overdrawn
- **Unagreed overdraft**- there is no agreement with the bank so you may be charged a lot every day you are in the overdraft

Whichever type of overdraft you have there are likely to be daily charges. These are costly charges and can soon add up.

A bank may choose to withdraw the overdraft at any time



HELP!!

- If you have borrowed money and are struggling to keep up with payments speak to the bank/credit union as soon as possible to see what options there are.
- You could also speak to your local Citizens Advice

Credit Union- loan

- A Credit Union offers savings and loans to its members.
- Usually you can not borrow money unless you have a savings account with them
- Interest rates are typically lower than many other forms of lending
- You can usually make payments weekly or monthly
- You may be able to borrow a small or large amount

Moneyline- loan

- An alternative to payday loans
- They offer loans of up to £1500
- These can be paid weekly, fortnightly or monthly
- They look at whether you can afford to pay it back rather than your credit score
- <https://www.moneyline-uk.com/>

Bank- loan

This is a formal agreement with the bank where you borrow a set amount of money over an agreed amount of time.

The bank will clearly set out:

- the monthly payments
- the total amount to be paid (including interest)
- how much you have borrowed

Caerphilly CBC:

- Smart Money Cymru Credit Union
- 02920 883751

STOP!!

Interest Rates

REMEMBER- whoever you borrow money from, you will nearly always be charged interest.

- Interest is a charge the bank or organisation puts on top of what you have borrowed otherwise known as the cost of borrowing
- Interest may be charged daily, weekly or monthly. Make sure you know which it is
- Interest rates can be confusing. The key figure to use when comparing rates is the Annual Percentage Rate (APR)

Before borrowing money from anywhere, speak to your Personal Advisor who may be able to help find a different solution- such as a grant.



Below are the ways you can borrow money when you are shopping. They may not advertise themselves as loans or borrowing but this is what they are.

Credit Card

If you apply for a credit card it basically gives you the option to buy things now and pay for them later. You will receive a statement each month showing how much you have spent, and therefore how much you owe. When you receive the statement there are three options:

- **BEST OPTION** Pay off the whole amount at the end of each month (no interest will be charged) OR
- Pay the minimum monthly amount due. This will leave a significant balance on which interest will be charged.
- Pay an amount somewhere between the minimum required and total. This will leave a balance on which interest will be charged. **For example you spend £200 in the month, pay £50. Interest will be charged on the remaining £150**



Finance

- For some larger items such as a washing machine or cooker, some shops may offer 'finance' options. This is a method of paying for the item monthly. (or its cheaper to buy second hand)
- You will be charged interest for finance
- There is no guarantee you will be accepted for the loan
- Make sure you understand the full costs of this form of borrowing.

Wellbeing

- If money issues are affecting your mental health, get wellbeing tips from: <https://platform.org/project/young-people/>

Did you know?!

- If you don't like speaking to people on the phone or face to face you can get debt advice through Whats App!
- Contact **Money Advice Service** through Whats App on 07701 342744 to get started

Rent to Own

- Some high street shops offer weekly payment plans for goods.
- These appear attractive as it seems to be low weekly payments however you need to be fully aware of the full costs in comparison to other types of borrowing (see next page)



Buy Now Pay Later

Many high street shops now offer the option of buying items now and paying for them:

- in 30 days time
- in three separate installments

These are typically interest free but you are still borrowing money and need to think if you can actually afford the items or not.

Not keeping up with payments will lead to extra charges and affect your credit rating.

Ask your Personal Advisor if you are able to get a grant for white goods such as a fridge and washing machine.

**OTHER
WAYS TO
BORROW**



Before borrowing money from anywhere, speak to your Personal Advisor who may be able to help find a different solution- such as a grant.



Below are some examples of the cost of borrowing when buying a TV and a fridge freezer.

Example **Weekly** Cost of Fridge Freezer

- High Street Shop (Finance) **£2.47** per week
- Credit Union (Loan) **£2.71** per week
- Rent to Buy company **£3.35** per week



Example **Total** Cost of Fridge Freezer

- High Street Shop (Finance) £385.56 = **£106.56 more than upfront cost**
- Credit Union (Loan) £420.94 = **£141.94 more than upfront cost**
- Rent to Buy company £522.60 = **£243.60 more than upfront cost**

Example **Weekly** Cost of TV

- High Street Shop (Finance) **£4.24** per week
- Credit Union (Loan) **£4.51** per week
- Rent to Buy company **£6.74** per week

Samsung 55" HDR Smart 4k TV SA55RU710
Pay upfront cost £479

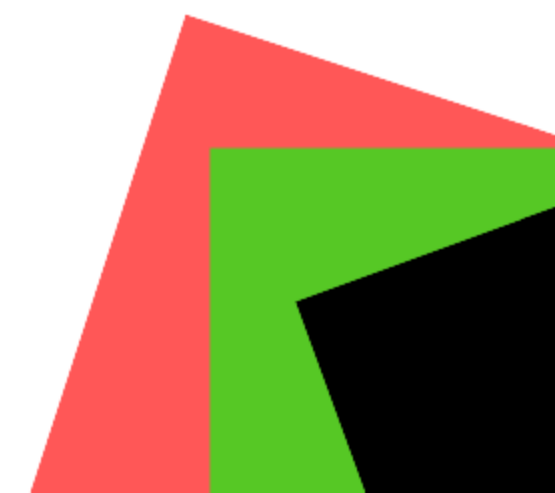


Example **Total** Cost of TV

- High Street Shop (Finance) £662.40 = **£183.40 more than upfront cost**
- Credit Union (Loan) £702.04 = **£223.04 more than upfront cost**
- Rent to Buy company £1051.44 = **£572.44 more than upfront cost**



• Figures given are for example purposes only.
 • Based on borrowing over 3 years
 • Figures are based on information available online on 15th November 2019



STOP!!

Loan Shark example

- A mum borrowed £50 from a 'friend' to pay for her daughters school uniform. She agreed to pay £100 back.
- She then needed more money so borrowed a further £200 agreeing to pay back £400.
- She fell behind on her payments
- The threats then started
- Men forced their way into the house and took their TV and other electrical equipment
- More money was added to the loan
- The threats continued, including direct threats to her children

**OTHER THINGS
TO THINK
ABOUT**

Before borrowing money from anywhere, speak to your Personal Advisor who may be able to help find a different solution- such as a grant.



Here are some other things to think about and avoid when looking for more money

'Easy Money' Schemes

- Be aware of scams where you are asked to hold money in your account for someone else
- This may be advertised as a job on social media with titles such as- 'money transfer agents', 'local processors'
- Or it may be advertised as an 'easy' loan
- When the money comes into your account you will be asked to transfer money to another person but allowed to keep a small amount for yourself
- This is a way for criminals to 'clean' money from criminal activity
- You become a money mule
- **You** would be committing a criminal act which could lead to prison as well as not being able to hold a bank account or borrow money in future.

Money Mules

- For advice on spotting easy money schemes go to <https://www.moneymules.co.uk/>



Loan Sharks

- A loan shark could be someone you know from the neighbourhood
- It may even be a 'friend'
- They will spend time gaining your trust before loaning you money
- But they will not give any loan paperwork
- They may ask for something like your passport as 'security'
- They might use violence to get money back

- For advice on avoiding loan sharks, go to: <https://www.moneyadviceservice.org.uk/en/articles/how-to-spot-a-loan-shark#how-to-spot-a-loan-shark>

Lending money to friends/family

- While you may be keen to help your family can you afford to lend them money?
- Will they actually pay you back or just keep stalling?
- You have choices when you need money, so do your family/friends, therefore they shouldn't need to come to you
- Speak to your personal advisor straight away so they can help you.



CRISIS! If you are really struggling to find any money to pay for things, including food, look below for further support

Citizens Advice

For help with a variety of issues including:

- Debt advice
- Benefit advice
- Energy savings grants and tips

There is a Citizens Advice near you, contact their Adviceline Cymru number:

- 03444 772020

OR

- <http://www.citizensadvicecbg.org.uk/>

Debt

If you are struggling to cope with debt and have got behind on your payments:

- Contact your local Citizens Advice
- Speak with your Tenancy Support Officer (if you have one)
- Speak with your personal advisor
- Go to <https://www.stepchange.org/>
- Go to <https://www.turn2us.org.uk/>

Gambling

Are you:

- Spending more than you want on gambling?
- Struggling to find the money for bills?
- Taking out loans to cover gambling debts?

For help and support go to:

<https://www.gamcare.org.uk/>

Food

- If you have no money, even to buy food you may be able to get an emergency food parcel from a local Foodbank.
- You have to obtain a voucher from social services, Citizens Advice or other agency.
- You will receive 3 days of food
- For more information contact your local foodbank or speak to your personal advisor

Caerphilly Foodbank

- You need a valid foodbank voucher to receive help from your foodbank
- Location: Connect Life Church, Crescent Road, Caerphilly
- Opening times: Tuesday and Wednesday 10am-1pm

Blackwood and District

- You need a valid foodbank voucher to receive help from your foodbank
- Main Location: Oasis Christian Centre, Bryn Road, Blackwood, NP12 3LY
- Opening Times: Thursday 10am-12pm

Taff Bargoed Foodbank

- You need a valid foodbank voucher to receive help from your foodbank
- Main Location: St John's Church, High Street, Nelson, Caerphilly, CF46 6HA
- Opening Times: Tuesday 10-12pm:

HELP
WITH
DEBT



CRISIS! If you are really struggling to find any money to pay for your gas/electric etc see below for further support

Citizens Advice

For help with a variety of issues including:

- Debt advice
- Benefit advice
- Energy savings grants and tips
- They may be able to provide a fuel voucher similar to a food bank voucher.

There is a Citizens Advice near you, contact their Adviceline Cymru number:

- 03444 773020
- <http://www.citizensadvicecbg.org.uk/>

OR

Options if you are in fuel debt

- contact your supplier to discuss a repayment plan and/or any cheaper tariff options available
- If you claim certain benefits, you may be able to arrange for payments to be taken directly from your benefits
- If you have serious financial problems and have a big debt you may be able to apply to an energy trust fund or charitable trust



- Speak to your fuel supplier straight away if you are struggling to pay your bills.
- The sooner you say, the more they can help.

Customer Assistance Fund

- A scheme offered by Welsh Water if you are struggling to keep up with your water bill
- This will make payments more manageable
- Realistic smaller instalments to be paid
- If you keep payments up for 6 months, your debt will be halved
- If you keep payments up for a further 6 months, your debt will be cleared

HELP WITH FUEL DEBT

Discretionary Assistance Fund

- If you have experienced an emergency or are in serious financial problems you may be able to apply to the emergency assistance fund
- This could help you pay for food/energy bills
- You would get £50
- You can apply up to 3 times in a year
- Apply by calling 0800 859 5924

Supporting People Team

- If you need support with a variety of housing issues including debt you may be able to get support from the Supporting People Team
- You need to complete a referral form
- Alternatively text HOUSUPPORT to 81400 and someone will be in touch
- For more information:

www.caerphilly.gov.uk/Service/Housing/Supporting-People-housing-related-support

