

June 2009

Our **Money made clear**™ guides –
here to help you

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**Just the facts
about
borrowing
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Money made clear™
from the **Financial Services Authority (FSA)**

With our **Money made clear**[™] range of guides, we cut out the jargon and give you just the facts about financial products and services, helping you to make an informed decision.

Just the facts about borrowing money.

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

This is general information to help you make financial decisions. It is not advice, and cannot take account of your individual circumstances. When making decisions about your own circumstances you should consider whether to consult a financial or other professional adviser.

This guide is for you if

You want

to borrow money (except to buy a home).

It's about different types of borrowing and:

- explains how they work;
- tells you the pros and cons of each; and
- answers some of the questions you may have.

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How borrowing money works

Borrowing money to pay for something, such as furniture, a car or a holiday allows you to get what you want right away. But you will usually have to pay interest on what you borrow, which means you'll pay back more than you actually borrowed.

If you're looking to borrow money to buy a home, read our **Mortgages** guide – see *Useful contacts*.

See the *Jargon buster* on page 22 for an explanation of some words you may come across when borrowing money.

You can borrow money in various ways. For example you can:

- get a personal loan from a bank or building society;
- get an overdraft from your bank or building society;
- use a credit card;
- use a store card;
- take up a finance arrangement, such as hire purchase; or
- get a loan from other lenders (eg credit unions or doorstep lenders).

See page 4 for more information, but be aware there are also other ways to borrow money.

With all of these you'll usually pay interest on what you borrow, and sometimes there may be other charges.

Interest is the charge the lender makes when you borrow money. The costs are likely to vary from lender to lender, so it's important to shop around.

For more information on borrowing visit Consumer Direct's website – see *Useful contacts*.

Key points

- Some ways of borrowing are cheaper than others – read on to find out how you can spot them.
- Don't be tempted by a low introductory rate – there may be added costs; so read all the paperwork to find out what you'll actually have to pay.
- If you borrow money, you will have to repay it in the future with interest added.
- Don't borrow for longer than necessary.

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Different types of borrowing

There are many ways to borrow money, and different organisations may lend it.

Businesses offering loans and credit cards must be licensed by the Office of Fair Trading (OFT) under the Consumer Credit Act 1974. You can check with the OFT if a firm is licensed – see *Useful contacts*.

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.

A bank overdraft 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.

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, or if you have taken out more than your authorised overdraft's limit. You'll pay extra charges if you do this and these charges can build up.

Some customers have disputed charges their banks have made for unauthorised overdrafts, and have taken them to court. The OFT, seven UK banks and one UK building society started a 'test case' in July 2007 in the High Court about unauthorised overdraft charges. It is being called a 'test case' because the decision will clarify the law on these charges. The court case is still ongoing. The court's decision is likely to apply to all existing and future claims customers make against these charges.

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 loans

There are two types of personal loan:

Secured – the terms of a secured loan set out which of your assets is used to guarantee the loan, for example your home or car. 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 – 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 mean you losing your 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') or it may vary. 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. If you miss payments, there will usually be extra charges.

Where can you get a personal loan?

Most banks, building societies, credit unions and specialist lenders offer personal loans.

Their interest rates and charges may vary considerably, so always check the APR (Annual Percentage Rate of charge) – see page 11.

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.

Costs

Every month you will get a statement setting out what you've spent. You have to pay at least 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, you will not usually have to pay any interest.

Credit limit

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 will probably have to pay an extra charge to the lender.

However, once you've shown you can use your card responsibly, the lender may offer – or you can ask for – a higher credit limit.

You can always refuse this, or ask for the credit limit to be reduced if this helps you to spend sensibly.

Where can you get a credit card from?

You can apply for a credit card from most of the leading banks, building societies and some high-street stores.

The card will carry your card issuer's (lender's) name and brand. They will run your account and decide how much you can spend. The card will probably have the Mastercard or Visa symbol as well, although you don't deal directly with them.

Before you choose a credit card, shop around. Although they all work on the same principle, they offer different interest rates and have different incentives, such as 0% interest for a limited period, reward points, and other benefits. Check whether rates and charges differ according to how you use the card.

Withdrawing cash

If you use your credit card to take out money from a cash machine, you may have to pay a fee and start paying interest immediately. The interest rate may also be higher than for purchases, so this option can be expensive. Some credit cards also give you cheques – but often you will start paying interest on the money as soon as you use one, and you may have fewer rights than if you pay by card (see *If things go wrong* on page 20) so check before you spend.

For more information about choosing and using a credit card, take a look at

the UK Cards Association's **Choosing and using** website – 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 9. 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, but overall it can be more expensive than other forms of credit.

As always, check the APR and see whether you could get a better deal elsewhere.

Hire purchase

With an HP 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 see Consumer Direct's website – see *Useful contacts*.

It can be easier to get credit from an HP 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

Other licensed lenders are willing to give loans to people who can't get credit from mainstream lenders. They often charge a much higher interest rate than banks and building societies because they run a higher risk that some borrowers won't be able to repay all they owe. There are different types, but together they are known as sub-prime lenders.

Credit unions

Credit unions are run by their members for their members. 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*.

Community Development Finance Institutions (CDFIs)

CDFIs are independent organisations which aim to help people who have trouble getting finance from usual sources such as banks and building societies. You may find a local CDFI that can help you manage your money and lend to you on the Community Development Finance Association's website – see *Useful contacts*.

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 – see *Useful contacts*.

Doorstep lenders (also known as home credit)

Money lent to you by 'doorstep lenders' (such as salespeople who come and knock on your door) can be expensive. If you do consider taking out a loan from them, then as well as checking the APR you should:

- 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;

- be clear about the amount you are borrowing, how much you must repay and for how long you will be making repayments;
- ask how much in total the loan is going to cost you; and
- make sure you understand what will happen if you can't keep up the repayments.

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 Directgov's **Stop Loan Sharks** website or call their helpline – see *Useful contacts*. Call their helpline if you've already taken out a loan with one and are having problems with the loan or are being threatened.

Key points

- Make sure you arrange an overdraft with your bank, otherwise the charges could be very high.
- Ask yourself whether a credit card is the best way for you to borrow money. A personal loan may be cheaper.
- Make sure you at least make the minimum payment shown on your credit card statement, but remember you'll pay interest on the balance. It may be a good idea to set up a Direct Debit to help avoid late payment charges.
- Always check the APR which shows the overall cost of a loan – see page 11.

Key things to think about

Before deciding to borrow money, make sure you'll be able to afford the repayments. You can use our Budget calculator to help you check your income against your outgoings to see what you would have left at the end of each month to repay your borrowings – see *Useful contacts*.

If your spending exceeds or is already close to your income, think very carefully about whether you really can afford to borrow more.

Also consider whether you will still be able to repay your loans and credit cards if, for example, interest rates go up or you lose your job.

Use our **Loan calculator** to work out what your repayments will be – see *Useful contacts*.

Credit scoring

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

Credit scoring means giving points according to the information you give the lender on your application form, and the information on your credit report (held by a credit reference agency – see page 10).

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

Someone who has had a credit card and pays all their bills on time may score more points than someone who is new to borrowing. On the other hand, it can count against you if you already have several loans and credit cards, or if you've made lots of different applications at the same time.

If you're not on the electoral roll (voters' list), the lender might refuse your application. This is because lenders use it to confirm your name and address.

Key things to think about

Lenders won't go into detail about how their scoring systems work, but if you are refused credit, you can ask them to tell you the main reason. They have to tell you the name of any credit reference agencies they used and you can get a copy of your credit report from the agency if you want to check it.

If you don't score enough points to reach the lender's 'pass mark', the lender may:

- turn down your application;
- offer to lend less than you were hoping for; or
- charge you a higher rate of interest.

Credit reference agencies

If you're an adult living in the UK, it's almost certain your name and details are held in the files of the three main credit reference agencies: Experian Ltd, Equifax plc and Callcredit plc – see *Useful contacts*.

When you apply to borrow money, lenders may ask one of these agencies for a copy of your credit report.

This will give them:

- public record information about you, such as electoral-roll details, any court judgments or records of bankruptcy against you;
- credit account information, such as whether you're up to date with your payments, plus details of any agreements you've had in the past six years; and
- credit checks that other companies have made – several applications in a short time may look like you're overstretched, or possibly a victim of fraud.

Seeing your credit report

It's 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 telephone services may cost more). Checking your own credit report does not harm your credit score. There may also be steps you can take to improve your report.

What is APR?

APR stands for Annual Percentage Rate of charge. The APR includes important factors such as:

- the interest rate;
- how you must repay the loan, such as the length of the loan agreement (known as the 'term'), when you should make the repayments and the amount of each repayment;
- other fees or charges.

All lenders have to tell you what their APR is before you sign an agreement. The APR will vary from lender to lender.

Generally, the lower the APR, the better the deal, so if you are thinking of borrowing money, shop around.

But don't just look at the APR. It doesn't include all the costs associated with a credit agreement – such as charges for late or missed payments, or balance transfer fees on a credit card. And the APR works best if you are comparing similar types of credit,

over similar periods. Also look at the total amount payable – and check that you can afford the repayments.

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Key things to think about

Other things to consider

As well as the APR, there are other things you should consider before deciding whether a loan is right for you.

The length of the loan agreement

You may be considering two loans that have the same APR but run for different lengths of time. Remember, you may end up repaying more on the loan that runs for longer, because you will be paying interest for longer.

You should also think about how long you wish to commit yourself to paying back the loan – would you feel comfortable having the debt hanging over you for a long period of time?

Will you have to replace whatever you're buying before you repay all the loan?

Can you afford the repayments?

The APR gives you information on the cost of a loan, but it doesn't tell you about the repayments. With some loans you will have weekly repayments, others monthly. And with some you don't pay until the end of the loan, when you will be required to pay off the whole loan in one lump sum.

Think carefully about when you will have to make repayments and whether you could afford to do so.

Your payments may vary if the interest rate charged on your loan varies (called a 'variable interest rate'). You should check if the loan you want has a variable interest rate and whether you can afford the repayments if the interest rate rises.

Also think about the cost of any insurance you buy to protect your repayments – see page 14. You don't have to buy the insurance offered by the lender. You can shop around for this, and may be able to get a better deal from an independent insurer. You may decide that you don't need insurance at all.

Other charges

The APR does not include costs you may have to pay if things go wrong, such as charges for late or missed payments or for paying off the loan early. You should consider these charges carefully.

Shopping around

If you can afford to borrow, shop around to find the best deal for you. You can use a credit broker to help you shop around and arrange a loan. But check if they'll charge for this. Keep in mind that if the broker has not arranged a loan for you within six months, the maximum they can charge you is £5.

You can shop around by using comparison websites that let you compare products from different companies. If you're looking for a loan from a home credit lender or a credit union, you can use **Lenders Compared**, an independent comparison website – see *Useful contacts*.

Be careful not to apply for credit until you have decided on the best deal. Applying for several credit products within a short period can damage your credit score.

Use the APR to help you shop around and compare deals.

Check the agreement to see whether:

- the interest included in the APR varies or if the rate is fixed; and
- there are any charges that aren't included in the APR.

If anything is unclear, ask the lender.

Key things to think about

Insurance – protecting your loan repayments

When you take out any kind of loan, it's very important that you make all the repayments in full and on time.

If you don't, the lender will still chase you for the full amount and probably charge more interest on it. You could even lose your home, particularly if the loan is secured on it. It could also affect your credit rating.

You can buy insurance to protect you if you can't make the repayments, for example if you become ill or lose your job. The most common types of insurance are listed below.

For more information about types of insurance read our **Insurance** guide or go to our website – see *Useful contacts*.

Payment protection insurance (PPI)

PPI is also called accident, sickness and unemployment insurance (ASU). This will pay the monthly repayments (or part of them) on your loan or credit card for a fixed period – usually 12 or 24 months – if you can't work because of illness or redundancy.

This insurance is usually optional, and you don't have to buy it from your own lender, so shop around for the best deal.

You can compare PPI by using our online **Comparison tables** – see *Useful contacts*.

Income protection (or Permanent Health Insurance – PHI)

This replaces part of your income if you can't work for a long 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.

All products have a waiting period before they will start to pay out. The

longer you agree you'll wait, the lower your premiums. So it's important to find out first what income you could get from your employer and other insurance you may already have if you were to become ill or disabled.

Before buying this insurance, think about:

- whether you really need it, especially if your repayments are small;
- what the conditions are – eg you may not be able to claim for any illness that you were already suffering from when you took out the policy; and
- whether you can cancel it at any time.

Life insurance

Pays out a lump sum when you die, so that your family are not left to pay for any outstanding debts.

Incentives

Incentives are things like an interest-free period, loyalty points or free gifts that a lender offers for taking out a credit card or loan with them. These can be good value for money and you should consider them as well as the APR – but don't make a decision based on the incentive alone.

Key points

- Check your credit report and correct it if anything is wrong.
- Use the APR to help you shop around and compare deals.
- Consider insurance to protect your loan repayments if things go wrong but bear in mind there are restrictions.

Before taking out a loan or credit agreement:

Check that

You can afford to make the repayments on what you borrow. Read the agreement carefully and use our **Loan calculator** to work out what your repayments will be – see *Useful contacts*.

Check that

You aren't agreeing to payment protection insurance if you don't want it. If you do take it out, make sure you know when it will or won't pay out by checking the **keyfacts**® policy summary.

Check that

You use the APR to compare the overall cost of the loan. But also look closely at the interest rate and charges, including those for missed and late repayments.

Check that

You understand the terms and conditions of your borrowing agreement – if something isn't clear, ask questions and don't sign until you're satisfied that it's right for you.

Your questions answered

Question

I think my credit record may be wrong – what can I do?

Answer

You can write to any credit reference agency, and ask to see the information that they have about you. It usually costs no more than £2 to see your report. The contact details for the main credit reference agencies are in *Useful contacts*.

If you've been refused a loan or credit, ask the lender for the name and address of the credit reference agency they use. You need to do this within 28 days of being turned down and the lender must give you the information.

Question

I'm being turned down for credit – where can I get a loan from?

Answer

You may find that banks are reluctant to lend money at the moment so you may be turned down for credit. There are other ways to borrow money, some more expensive than others – see page 7.

Remember to check your credit report carefully and to improve it if you can – see page 10.

Find out what State help may be available to you in the form of benefits, tax credits or loans – see *Useful contacts*.

Your questions answered

Question

Should I take out insurance in case I can't meet the repayments?

Answer

Some lenders suggest you buy payment protection insurance (PPI) from them when you start a credit card or personal loan.

First, make sure you don't already have insurance that will cover you for the same thing, for example through the benefits offered by your employer or another policy that you have taken out.

If you don't already have cover, think about whether you could manage the repayments anyway. PPI is usually optional, and there are other forms of protection insurance available. If you do want to take out insurance, shop around for a good deal. You can compare PPI by using our online **Comparison tables** – see *Useful contacts*.

Question

I'm worried that I've got too many loans on the go – what can I do?

Answer

Our confidential online **Debt test** will help you find out whether you have, or are likely to have, problems with repaying your borrowing. We will ask you a few simple questions about you and your finances, then:

- tell you whether you should worry about how much you borrow;
- give you tips on how to avoid debt problems; and
- help you to tackle your debts if you are in trouble.

The **Debt test** tells you how you may look to a lender, so even if you have no debts at the moment, the results may surprise you – see *Useful contacts*.

Next steps

Step 1

Decide which type of borrowing is right for you. Different methods suit different people and situations.

Step 2

Use the APR to help you shop around and compare deals. Remember, the APR works best as a way of comparing the cost of loans when loans are considered on a like-for-like basis (for example loans that run for the same length of time).

Step 3

Make sure you can afford the repayments. Use our **Loan calculator** to work out what the repayments will be. If you get into difficulties, tell your lender as soon as possible.

Step 4

Make sure you read and understand the credit agreement. If there is anything you don't understand, make sure you ask the lender to explain.

If things go wrong

If something goes wrong, for example you think you have been wrongly charged for something, contact your lender and ask them to put things right.

If you're not satisfied with their response, you may be able to take your complaint to the Financial Ombudsman Service. The lender will give you the details of the complaints procedure.

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 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 and loans, not charge cards or debit cards. And it doesn't cover you if you use a credit card cheque.

If the matter is not resolved to your satisfaction, you may be able to take your complaint to the Financial Ombudsman Service.

For more information, get our **Making a complaint** guide – see *Useful contacts*.

If your lender goes out of business

If your lender goes out of business the loan may be bought by another lender, so you must continue to make repayments. This is especially important if your loan is secured on your home, as stopping payments may cause you to lose your home.

Can't keep up your repayments?

If you get into difficulties and can't make your repayments, talk to your lender.

No matter how bad things may seem, you can get free and expert help. Several organisations can help you find out where you stand and your legal rights. They can also arrange for a debt adviser to liaise with your lenders to suggest a way forward – see *Useful contacts*.

Identity theft

If you think you are a victim of identity theft, get a copy of your credit report from the following credit reference agencies: Experian Ltd, Equifax plc and Callcredit plc – see *Useful contacts*.

If you find something on your report about organisations you do not normally deal with, contact them immediately to find out why they are

on your report. If you alert one of the credit agencies to fraud, all three will offer to help you sort it out.

For more information about protecting yourself, see the **Personal Information toolkit** on the Information Commissioner's website – see *Useful contacts*.

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Jargon buster

Some key words and phrases explained.

APR

Annual Percentage Rate – this shows the overall cost of a loan, taking into account the term, interest rate and other costs.

Card issuer

The bank, building society or store whose name is on your card.

Chip and PIN

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

Credit limit

The maximum amount you may owe through spending on the card. If you go over this limit, your card may be refused and you are also likely to have to pay extra charges.

Credit scoring

The system your card issuer uses to decide whether to give you a card, and to set your credit limit.

Direct Debit

Regular payments taken directly from your bank account on an agreed date, for example to pay for your gas or electricity. You arrange this with your supplier and give them your bank details.

Interest

The charge that lenders make when you borrow their money.

Interest-free period

The time between when you buy something on a credit card and the date when you must pay your monthly bill. This can be 50 days or more and is generally interest-free. So if you settle your bill in full every month, it's free borrowing. Also known as a ‘grace period’.

Introductory rate

An interest rate that applies for a limited period when you first take out a credit card or loan.

Minimum payment

The minimum amount you must pay to keep to the terms of the agreement.

Outstanding balance

Any money you owe on your credit card or loan.

Overdraft/overdrawn

If you spend more money than you have in your account, you will go overdrawn (also called being in debit or having a debit balance).

Payment protection insurance (PPI) – also known as accident, sickness and unemployment (ASU)

An insurance policy that can pay your loan repayments for a set period if you're unable to earn because of illness or redundancy.

Secured

When a loan is ‘secured’ on your home, it means the lender can repossess your home and sell it to get their money back if you don't keep up your repayments.

Standing orders

A regular payment to someone that you can arrange to be made direct from your bank account. You arrange this with your bank.

Sub-prime lender

Sub-prime lenders specialise in offering loans or mortgages to people with poor credit ratings.

Variable interest

An interest rate on a loan or savings account that can change according to circumstances. For example, if the Bank of England base rate changes, the loan interest rate will probably change.

Useful contacts

Financial Services Authority (FSA)

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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.)

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- Insurance
- Proving your identity
- Making a complaint
- Mortgages

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

On our Money**made**clear™ website you can find

- a **Budget calculator** to help you work out if you have enough money to make your repayments;

- a **Debt test** to help you work out whether are likely to have problems with your borrowing;
- a **Loan calculator** to help you work out what your repayments will be; and
- **Comparison tables** for payment protection insurance.

Call rates may vary – check with your telephone provider.

To check a lender/broker is licensed

OFT Consumer Credit Register

08457 22 44 99
www.oft.gov.uk/consumercreditregister

For information about borrowing

Consumer Direct

08454 04 05 06
www.consumerdirect.gov.uk

To find a loan

Department for Work and Pensions – Growth Fund lenders

www.dwp.gov.uk/advisers/growthfund/contracts.php

Community Development Finance Association

www.cdfa.org.uk

To find a CDFI.

Lenders Compared

www.lenderscompared.org.uk

To compare home credit.

Credit reference agencies

Callcredit plc

0870 060 1414
www.callcredit.co.uk

Experian Limited

0844 481 8000
www.experian.co.uk

Equifax plc

www.equifax.co.uk

Complaints

Financial Ombudsman Service

0845 080 1800
www.financial-ombudsman.org.uk

To report loan sharks

Directgov – Stop Loan Sharks

0300 555 2222
www.direct.gov.uk/stoploansharks

For help sorting out debt problems

Advice UK

020 7407 4070
www.adviceuk.org.uk

Does not give advice but gives details of advice agencies in its network

Consumer Credit Counselling Service (CCCS)

0800 138 1111
www.cccs.co.uk

National Debtline

0808 808 4000
www.nationaldebtline.org.uk

For information on State help and debt advice

Citizens Advice Bureau (CAB)

See the Phone Book, Yellow Pages or website for your local CAB.
www.adviceguide.org.uk

To report a misleading promotion for loans and other credit products

Trading Standards

www.tradingstandards.gov.uk

Look in the Phone Book under 'Trading Standards'

Protecting yourself against identity theft

Information Commissioner's Office

www.ico.gov.uk
Personal Information Toolkit