

Budgeting



**Helping you to
manage your money**

Bank of Ireland  UK
Begin

Contents

Section 1:	Managing your money	1
	Budgeting made easy	
Section 2:	Borrowing sensibly	7
	Managing your credit cards	
	Managing your overdraft	
	Managing your loans	
Section 3:	Debts and how to deal with them	10
	Getting out of debt	
Section 4:	Planning for your future	12
	Saving for a rainy day	
	Our door is always open	
Useful organisations		16

Section 1:

Managing
your money

Section 1:

Managing your money

Bank of Ireland UK is focused on helping you take full control of your finances. No matter where you are in life or what your financial situation is, we're ready and eager to talk to you.

Our door is always open for anyone who wants to talk about their finances. Whether you want some general guidance or you need a solution to one specific issue, we can help you in person, online or with some tips in this handy brochure.

This brochure will give you a general outline of the ways in which we can help and tips on how you can help yourself. If you have any further questions, you can drop into or call your local branch or log in to our website **bankofirelanduk.com**

Budgeting made easy

Budget. It's a small word, but it has the power to terrify some people. Working out your budget involves seeing how much you earn and spend, and on what. It's a simple matter of discovering where your money is going each month and how much you should have left over at the end.

A budget can help you to see if you can afford something you want, or it could highlight areas where you could make a saving, or it could simply confirm what you knew all along – that you're on top of your finances. Whichever category you think you're in, sitting down and putting your income and outgoings down on paper can be a big help. Ignoring your finances won't solve any problems and once you've finished, you could be pleasantly surprised.

Working out your budget doesn't have to be a daunting task. All you have to do is add up all your income and subtract your bills and other outgoings. It's best to work out your budget monthly, even if you are paid weekly, as that is often how most regular bills need to be paid. To make it simple, the next few pages contain our quick budget planner. Simply fill in your details and you'll be able to see exactly how your finances lie.

Before you start

Here's a couple of tips to help you along the way. Having your online account open or statement in front of you, as well as your household bills to hand, can save time, as you won't have to stop halfway through to search out amounts and charges.

1. Income

Your income is usually your salary from your job and that of your partner or spouse, but it could also include extras such as child benefit.

2. Outgoings

Your spending will fall into several different categories, from household bills to day-to-day expenses. Just be sure to include everything.

Monthly budget planner

Income (after tax)

Salary	<input type="text"/>
Spouse/partner's income	<input type="text"/>
Child benefit	<input type="text"/>
Other income	<input type="text"/>
Total Income	<input type="text" value="£"/>

Outgoings

Household

Mortgage/rent	<input type="text"/>
Home insurance	<input type="text"/>
Mortgage protection	<input type="text"/>
Utility bills (gas, oil, electricity, etc.)	<input type="text"/>
Telephone landline/mobile	<input type="text"/>
Food/groceries/household	<input type="text"/>
Clothing	<input type="text"/>
Rates	<input type="text"/>

Family

Crèche facilities/babysitting	<input type="text"/>
School/college expenses	<input type="text"/>
Health/Life insurance	<input type="text"/>
Pets	<input type="text"/>

Debt payments

Credit cards	<input type="text"/>
Personal loan	<input type="text"/>
Other loans/financing	<input type="text"/>

Transport

Car/vehicle loan	<input type="text"/>
Vehicle maintenance	<input type="text"/>
Petrol/diesel	<input type="text"/>
Parking	<input type="text"/>
Car/vehicle insurance/tax	<input type="text"/>
Public transport	<input type="text"/>

Leisure

Entertainment/recreation	<input type="text"/>
Gym/sports membership	<input type="text"/>
Hobbies	<input type="text"/>
Weekends away/holidays	<input type="text"/>
Dining out/drinks	<input type="text"/>

Savings

Regular savings	<input type="text"/>
Investments/equities	<input type="text"/>
Pensions	<input type="text"/>

Other outgoings

Total outgoings

Total income

Total outgoings

Surplus/shortage
(Total income - Total outgoings)

Now that you've taken a closer look at your finances, you'll be able to see areas where you can make changes or be reassured that you have been doing the right things all along.

If you feel that you need to spend less or you need to spend differently, here are a few tips to help you do so in a painless way.

- ▶ Keep track of what you spend. A diary is a good way to add up all your expenses. You'll quickly spot what is essential and what you can do without.
- ▶ Keep an eye on your finances. Use 365 phone or digital banking* to make sure that you always know how much is in your accounts.
- ▶ Shop around. In this climate it is easy to find bargains, don't just settle for the price in-store, go online and to different shops to find the best price for any goods you buy.
- ▶ Use Direct Debit - it's free to set up. Pay as many bills as you can by direct debit, this will ensure that you don't miss a payment and incur unnecessary costs. It's also good to ensure your direct debit dates are aligned with the date you get paid. You should make sure you have money in your account to cover any direct debits due.
- ▶ Make a plan. Be definite about what you want your finances to do for you. Whether it's buying a house or a car, or even just saving for a holiday, making a plan of how to pay for it is the first step to getting there.

* Terms and conditions apply to 365 phone and digital services.

Section 2:

Borrowing Sensibly

Section 2:

Borrowing sensibly

There are some important questions that you need to answer before you borrow money. You should ask yourself if you need to spend at the moment, if you have other ways of financing the purchase and if you can afford to pay back the money you are planning to borrow.

If you do decide to borrow money then it is important to work out how much you can afford as this will affect which borrowing option is best for you. You will need to look at:

- ▶ the interest rate,
- ▶ the cost per month,
- ▶ how much you will repay in total, and
- ▶ any penalties for missed or late payments.

Managing your credit cards

Credit cards can offer a convenient and flexible way to buy things when you need to, without having to carry cash. However it is important that you keep on top of your spending so your balance does not creep up on you. Here are just a few tips to help you manage your credit card with ease.

- ▶ Check out the interest free credit period between buying goods and interest due date. You may have up to 56 days so make sure to clear your balance before interest is due.
- ▶ Manage your card online. Set up a 365 online account* so you can keep a close eye on your credit card balance, view your transactions and even pay it off at any time, without having to leave your seat. Check out **365online.com** for more details.
- ▶ Set up a direct debit for your minimum payment or for a fixed percentage of the outstanding balance, that way you can avoid late payment fees and penalties. Ensure you know your credit limit and stay within this to avoid incurring overlimit fees.
- ▶ Credit cards are a convenient and secure way of short-term borrowing, but if you find that you are unable to clear your balance over the long-term, talk to us early and we will work with you to try and find a solution.

* Terms and conditions apply to 365 phone and digital services.

Managing your overdraft

An overdraft can be a good idea if you need a little flexibility with your day-to-day expenses from month to month.

- ▶ If you have an overdraft facility, ensure you know your agreed limit and stay within this to avoid incurring charges. You should also aim to manage the balance regularly in credit
- ▶ If you have any difficulty managing your overdraft, then talk to us early, we will work with you to try and find a way to manage your payments.

Managing your loans

If you want to borrow money and pay back an amount every month, a personal loan is an option.

- ▶ You may be able to borrow more than with a credit card
- ▶ Your personal loan repayments will be fixed amounts. This means you know your repayment amount is going to be the same every month, so it makes it easier to budget
- ▶ You are able to choose how long you'd like to take to repay the loan. Remember that the length of the loan will affect the amount you are charged in interest
- ▶ You may be able to consolidate several debts into one personal loan, potentially reducing your monthly costs. Be careful as this may mean that you could pay more charges or a higher interest rate and, if you extend the length of the loan, you could pay more overall
- ▶ Personal loans may have higher rates of interest than other forms of borrowing, particularly if you want to borrow a smaller amount, such as £1,000
- ▶ Because the interest rate may reduce the more you borrow, you may be tempted to take out a bigger loan than you need and this should be avoided.

Terms and conditions apply to credit cards, loans and overdrafts. Applicants must be 21 years or over. Interest also applies to overdrafts. Please see our Personal current account charges explained brochure for full details.

Section 3:

Debts and how to deal with them

Section 3:

Debts and how to deal with them

At some point in their lives most people will have issues with their finances. Sometimes its cause can simply be a part of life, like your car unexpectedly breaking down, a bill that is larger than expected or a holiday that turned out to be surprisingly expensive. Other times falling into debt can have a very obvious cause such as the loss of a job, a separation or illness. Even happy occurrences, such as buying your dream home or the arrival of a new baby, can cause a hiccup in the smooth running of your finances.

Debt can creep up on you, but if you keep an eye on your finances you'll be able to see it coming and hopefully act to prevent it becoming too serious. Below are some warning signs that may indicate you are falling into trouble:

- ▶ You don't have any savings
- ▶ You only pay the minimum balance off your credit cards each month
- ▶ You are occasionally late making payments on bills or you skip them completely
- ▶ You don't know how much debt you actually have
- ▶ You have been denied credit
- ▶ Your salary does not clear your overdraft.

Getting out of debt

If you find yourself in debt, here's a few ways to help you regain control of your finances:

- ▶ Don't ignore it. Debt won't go away on its own, you can make positive steps to clear it
- ▶ You should do a thorough analysis of your day-to-day spending to help you identify where your money is going. Our budget planner should help you do this
- ▶ Look at making some cutbacks. Could you consider bringing a packed lunch to work instead of buying a sandwich or eating out? What about staying in every second weekend? You don't have to cut out all your luxuries, but you will be surprised at how quickly the pennies can add up
- ▶ If you are struggling with your mortgage or any other borrowings talk to us early – the sooner you talk to us, the sooner we can help. We'll work with you to try and find the best solution, whatever that may be. For any mortgage related issues please call 0345 300 8000*.

If you feel that you are struggling with debt you can also get independent support and free advice from Advice NI, Citizens Advice Bureau, StepChange and Christians Against Poverty NI.

* Calls may be recorded, monitored and used for training and compliance purposes. Calls to 03 numbers cost the same as calls to 01 or 02 numbers and they are included in inclusive minutes and discount schemes in the same way. Call costs may vary dependent upon your service provider. Opening hours Monday to Friday, 8.30am to 5pm.

Section 4:

Planning for your future

Section 4:

Planning for your future

What if? When it comes to the future it is important to prepare for the what ifs? What if I want to buy a house? What if I lose my job? What if my partner, or I, becomes ill? What if I want to retire early? There are plenty of ways to prepare for the future. You may want to put money aside for that rainy day or to buy your dream home. You may also want to prepare for the things that may happen, like the loss of your income, and for things that will happen, like your retirement. Here are a few tips for planning and protecting your future.

Saving for a rainy day

A holiday, a new car, a rainy day. There are plenty of reasons to start saving and no doubt you know them all, but when it comes to actually putting the money aside, most people find other things to spend it on.

Here's a few tips on how to make saving easy and painless:

- ▶ Work out how much you can afford to save each month in a sensible way. Are there some months where you can put away a little more? Find a savings plan that's right for you and work out how much you can afford to put by each month
- ▶ Know your terms. Make sure you understand the terms of your savings account and try to choose one that suits you and has a good balance of interest rate and access. Keep up to date with your finances. Interest rates may change frequently, so it's important to keep an eye on what's happening so you can alter your finances to match.
- ▶ Start today. The sooner you start saving, the better. Talk to us for more information.

Terms and conditions apply to savings.

Our door is always open

For any guidance or suggestions simply get in touch with us in one of the following ways. It's free and available now at a time that suits you.

Drop in. Our branches are open Monday to Friday between 9.30am and 4.30pm, except on Wednesday when we open at 10am. We're here to provide further guidance on managing your money.

Phone. Help is just a phone call away. Just pick up the phone and call us with any queries you may have on **0345 850 1234****.

You can also do your banking 24 hours a day, 365 days a year, through **365 phone** and **digital banking**, for more details call **03457 365 555*****.

Web. Log in to **bankofirelanduk.com** for more information.

** Calls may be recorded, monitored and used for training and compliance purposes. Calls to 03 numbers cost the same as calls to 01 or 02 numbers and they are included in inclusive minutes and discount schemes in the same way. Call costs may vary dependent upon your service provider. Opening hours Monday to Friday, 8.30am to 8pm and Saturday 9.00am to 2pm.

*** Calls may be recorded, monitored and used for training and compliance purposes. Calls to 03 numbers cost the same as calls to 01 or 02 numbers and they are included in inclusive minutes and discount schemes in the same way. Call costs may vary dependent upon your service provider. Opening hours Monday to Friday, 8.00am to 8pm and Saturday 9.00am to 5pm. 10.00am to 5pm Bank and Public Holidays. Closed Sundays.

Useful Organisations

Advice NI

Telephone: **028 9064 5919**

www.adviceni.net

Christians Against Poverty NI Telephone

01274 760720

www.capuk.org

Citizens Advice Bureau

Free, confidential information and advice to assist people with money, legal, consumer and other problems. To find your nearest office go to:

www.citizensadvice.co.uk

The Consumer Council for NI

The Consumer Council protects and promotes the interests of passengers travelling to, from or within Northern Ireland.

Telephone: **0289 025 1600**

www.consumercouncil.org.uk

Directgov

Government website with more information on benefits, tax credits and support for home owners.

www.direct.gov.uk

HM Revenue and Customs

Information about tax credits and Child Benefit.

Tax credit Helpline: **0345 300 3900**

Child Benefit Helpline: **0300 200 3100**

www.hmrc.gov.uk

Money and Pensions Service

Provides free, unbiased and easy to access money tools, information and advice.

Telephone: **0800 138 7777**

www.moneyandpensionservice.org.uk

StepChange Debt Charity

For debt advice throughout the UK.

Telephone: **0800 138 1111**

www.stepchange.org

This document can be made available in Braille, large print or audio upon request.

Please ask any member of staff for details.