
Ten Top Tips to Avoid a Christmas Debt Hangover



Be organised

There's a lot to remember at Christmas. If you've borrowed money don't forget that it won't be long before you have to make a payment. Make sure you pay on time, even if it is only the minimum, or you will be faced with additional charges.



Start planning and saving for next Christmas

Once Christmas is over, it's worth looking at what you did well and what you didn't. Learn from your mistakes and start planning how you will do things differently next year. This might also be a good time to think about saving for next Christmas.



Planning, budgeting and organisation is key to avoid getting into debt at Christmas and beyond. If your spending runs out of control, you can soon find that debt is not only a problem at Christmas, but can become a way of life.



If you do get into difficulties, you can get free advice from our Money Advice Officers by telephoning us.

Tel: 0300 111 1000

Plan early for Christmas

Be realistic and budget accordingly. Work out how much you are going to spend on each person - and stick to it. Manage expectations as to what you or Santa can give.



Shop around

Try as many different places as possible to find out the best price. Buy what you want and not what other people say you need. Be aware of extended warranties; the cost of a repair could be less than the price of a warranty.



Don't forget the everyday bills

Remember that rent, the mortgage, utility bills food bills and other existing debts still have to be paid - and the consequences can be severe if they're not. Even though it's Christmas, get your priorities right.



Buy safe to be safe

Whatever the deal, whatever the temptation, don't buy from unauthorised traders and don't borrow from unauthorised lenders. The initial savings and convenience may prove to be a false economy.



Don't bank on an overdraft

If you do need more money, don't just run up an overdraft without talking to your bank first - it will work out much more expensive.



Read the small print

Check for hidden extras in any credit agreement. Work out the total amount payable. Ensure that the monthly instalments are within your budget before signing. Interest free credit can seem attractive, but if you don't pay on time or miss a payment, you could have to pay a lot more (particularly 'buy now don't pay a thing until ...').



Keep things simple

If you can afford to pay for your goods outright by cash or debit card, don't be persuaded to take out extended credit agreements unless they really do work out cheaper. (Note - interest free credit - is it really? If the trade price of a sofa is £500, it will be £2000 on 'interest free' and after Christmas £1000 in the sale).



Do your own credit checks

If you are going to use a credit card, shop around and compare terms. Some cards charge high interest rates, but provide interest free periods or discounts. Budget for all these costs and put the payment dates in your diary.

