Money management
Helping you make sense of your money
The NatWest Customer Charter
Renewing our commitments to you

We want to become Britain’s most Helpful Bank. That’s why we launched our Customer Charter – a set of commitments based on what you told us is important to you. We’re working hard to live up to these commitments, striving to provide you with products and services you want and need. We’ve made progress and laid some strong foundations, but there’s more to do.

This year, the Customer Charter has become even more relevant to our customers. The commitments fall under the following themes:

- Our knowledgeable staff will put your needs first
- We will do more to help when you need us most
- We will provide convenient and quick service, however you choose to bank with us
- We will help to strengthen the communities in which we live and work

Our progress will be assessed and we’ll publish the results so you can judge our performance for yourself. By continuing to do what our customers really want, we will become Britain’s most Helpful Bank.

To read our Customer Charter go to natwest.com/customercharter
Contents

Everyone can do with a bit of help managing their money now and then. With NatWest you can get guidance on the best ways to manage your money to suit your life – from planning a budget, to dealing with problems like debt, divorce and redundancy. So whatever stage you’re at in your life, here’s where to find the help you need.

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Planning your budget

Most people know how much they’ve got coming in every month, and what they’re spending on the big things – like their rent or mortgage. But it’s amazing how quickly other small, ‘unnoticed’ expenses can add up.

The first step to getting a grip on your finances is to work out where you stand. That means adding up all the money you’ve got coming in and going out every month in detail. Then working out how much you’ve got left to spend or save.

Go through the basics

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Go through the basics

Money coming in
Your salary or wage might be your most obvious source of income. But don’t forget to count things like:
- tax credits;
- pension credits;
- child benefit;
- state benefits;
- council tax benefit, housing benefit and local housing allowance;
- disability benefits (like contributions for carers);
- any interest you earn on your savings (but only include interest you can be sure of); and
- child maintenance.

Remember
Don’t assume you earn too much to qualify for benefits. Some benefits aren’t means tested – they’re available to everyone. Go to page 32 to find out where to go for more information or visit your local Citizens Advice Bureau.

Money going out
When you’re adding up what you spend every month, make sure you include the fun things as well as the bills.

Think about:
- your home (mortgage, rent, any loans secured on your home);
- essential bills (council tax, maintenance and child support payments, income tax, TV licence and road tax);
- transport (train or bus fares, car insurance, petrol and hire-purchase agreements);
- utility bills (gas, electricity, water, phone/internet);
- other bills (credit and store cards, overdrafts, loans);
- general household expenses (food, clothes, childcare);
- leisure (gym memberships, magazine subscriptions, days or nights out, eating out or takeaways);
- payments to savings and investments (for example ISAs); and
- pension contributions.

Remember
Even if you only pay for something once a year, you need to allow for it in your monthly budget. Just divide the cost for the year by 12 first, to work out what you’re spending in one month. Similarly if you pay for something every week, multiply it by 52 and then divide by 12 to find the monthly amount. Go to page 6 to use our budget planner.

To find out more visit natwest.com/budgeting
Your budget

Fill this in to see exactly how much you’ve got coming in and going out every month, and how much you’ve got left over to spend or save.

### Monthly coming in

<table>
<thead>
<tr>
<th>Source of Income</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Your salary (after tax and National Insurance)</td>
<td>£</td>
</tr>
<tr>
<td>Your partner’s salary</td>
<td>£</td>
</tr>
<tr>
<td>Child benefit</td>
<td>£</td>
</tr>
<tr>
<td>Disability benefits</td>
<td>£</td>
</tr>
<tr>
<td>Income support</td>
<td>£</td>
</tr>
<tr>
<td>Maintenance payments</td>
<td>£</td>
</tr>
<tr>
<td>Pensions</td>
<td>£</td>
</tr>
<tr>
<td>Tax credits</td>
<td>£</td>
</tr>
<tr>
<td>Savings interest</td>
<td>£</td>
</tr>
<tr>
<td>Other income</td>
<td>£</td>
</tr>
</tbody>
</table>

**Total coming in**: £

### Monthly going out

<table>
<thead>
<tr>
<th>Category</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Regular bills</td>
<td></td>
</tr>
<tr>
<td>Mortgage or rent</td>
<td>£</td>
</tr>
<tr>
<td>Maintenance payments</td>
<td>£</td>
</tr>
<tr>
<td>Council tax</td>
<td>£</td>
</tr>
<tr>
<td>Electricity</td>
<td>£</td>
</tr>
<tr>
<td>Gas</td>
<td>£</td>
</tr>
<tr>
<td>TV licence / satellite</td>
<td>£</td>
</tr>
<tr>
<td>Water</td>
<td>£</td>
</tr>
<tr>
<td>Loan repayments</td>
<td>£</td>
</tr>
<tr>
<td>Life insurance</td>
<td>£</td>
</tr>
<tr>
<td>Buildings insurance</td>
<td>£</td>
</tr>
<tr>
<td>Contents insurance</td>
<td>£</td>
</tr>
<tr>
<td>Car insurance</td>
<td>£</td>
</tr>
<tr>
<td>Car tax</td>
<td>£</td>
</tr>
<tr>
<td>Credit cards</td>
<td>£</td>
</tr>
<tr>
<td>Phone</td>
<td>£</td>
</tr>
<tr>
<td>Mobile phone</td>
<td>£</td>
</tr>
<tr>
<td>Internet</td>
<td>£</td>
</tr>
<tr>
<td>Other regular bills</td>
<td>£</td>
</tr>
</tbody>
</table>

**Total going out**: £

### Everyday bills

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Childcare</td>
<td>£</td>
</tr>
<tr>
<td>Food shopping</td>
<td>£</td>
</tr>
<tr>
<td>Petrol</td>
<td>£</td>
</tr>
<tr>
<td>Public transport</td>
<td>£</td>
</tr>
<tr>
<td>School expenses</td>
<td>£</td>
</tr>
<tr>
<td>Evening classes</td>
<td>£</td>
</tr>
<tr>
<td>Charity donations</td>
<td>£</td>
</tr>
<tr>
<td>Other</td>
<td>£</td>
</tr>
</tbody>
</table>

### Occasional costs

<table>
<thead>
<tr>
<th>Item</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Birthdays</td>
<td>£</td>
</tr>
<tr>
<td>Car repairs / MOT</td>
<td>£</td>
</tr>
<tr>
<td>Christmas</td>
<td>£</td>
</tr>
<tr>
<td>Clothing</td>
<td>£</td>
</tr>
<tr>
<td>Decorating</td>
<td>£</td>
</tr>
<tr>
<td>Dentist / optician</td>
<td>£</td>
</tr>
<tr>
<td>Holidays</td>
<td>£</td>
</tr>
<tr>
<td>Other</td>
<td>£</td>
</tr>
</tbody>
</table>
Remember
Paying bills by monthly Direct Debit can help spread the cost and avoid late or missed payments. And you can often get a discount for doing it, too.

Spending
<table>
<thead>
<tr>
<th>Activity</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>Eating out</td>
<td>£</td>
</tr>
<tr>
<td>Nights out (cinema, pub, club, shows)</td>
<td>£</td>
</tr>
<tr>
<td>Days out (theme parks, museums, galleries)</td>
<td>£</td>
</tr>
<tr>
<td>Sports club membership</td>
<td>£</td>
</tr>
<tr>
<td>Magazine subscriptions</td>
<td>£</td>
</tr>
<tr>
<td>Other casual spending (cigarettes, sweets, etc)</td>
<td>£</td>
</tr>
</tbody>
</table>

Total spending £

Savings
<table>
<thead>
<tr>
<th>Activity</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>ISAs</td>
<td>£</td>
</tr>
<tr>
<td>Savings Bonds</td>
<td>£</td>
</tr>
<tr>
<td>Pensions</td>
<td>£</td>
</tr>
<tr>
<td>Other</td>
<td>£</td>
</tr>
</tbody>
</table>

Total savings £

Sums

Total coming in £ minus Total going out £ equals Total left each month £

Total going out £ plus Total spending £ plus Total savings £ equals Total outgoings £

That’s how much you’ve got left to spend and save.

Total going out £
plus Total spending £
plus Total savings £
equals Total outgoings £

This total should be less than your monthly income.

To find out more or to use our online budget calculator visit natwest.com/budgeting
Making the most of your money

Now that you know exactly how much you’ve got coming in and going out every month, we can give you some tips on making the most of your money.

Understanding your options

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Cutting your spending

If you have more money going out than the amount coming in, here are some ways to cut your spending.

- Keep a spending diary for a month, and record every little thing (so you can spot those ‘invisible’ costs).
- Pay more than the minimum amount on your credit or store-card bills each month. Otherwise you’ll just be covering the interest. Pay off the cards with the highest interest rates first and remember that withdrawing cash from a credit card can be expensive.
- Look for a 0% interest credit card – a balance transfer could save you interest (but check the small print to see if there are any other fees and make a note of the date that the 0% runs out).
- Shop around – use online price-comparison sites, shop at places that guarantee to match the lowest price, and ask about any special offers when you’re in store.
- Cut your energy bills – turn your heating down by one degree and your hot water down by five degrees, switch off lights, and don’t leave electrical items on standby.
- Swap suppliers – new customers often get the best deal, and it’s often cheaper to buy more things from a single supplier (gas and electricity, phone, TV and internet, car and home insurance).
- Rethink your TV subscriptions – if you only watch movies now and then, it may be cheaper to rent a DVD.
- Hop on a bus, cycle or walk – it’s cheaper than driving. And if you’re a regular traveller, get a season ticket.

Have you thought about

Signing up for mobile or internet banking. It’s a lot easier to keep track of your money – and you might be able to set up text alerts to send you your latest balance or stop you overspending.

To find out more visit natwest.com/online
Boosting your income

Bringing in a little more each month might not be as difficult as you think. Here are a few simple ideas, for a start.

- **Tax benefits**
  On average we pay around 42% of what we earn to the Government in direct and indirect taxes. If you’ve got young children you could choose to take £55 a week less salary and instead get £55 of childcare vouchers. The vouchers are tax-free and you won’t pay tax or National Insurance on £2,860 a year.

- **Extra shifts or a second job**
  Talk to your employer about overtime or look for part-time, evening or weekend work. An extra eight hours a week at the minimum wage could increase your yearly income by more than you think.

- **Get a lodger**
  Under the government-approved Rent a Room scheme, you could rent out a room without paying tax on the money it brings in (but make sure you check the tax-free allowance regularly, because it changes all the time).

Claiming benefits

Some benefits are based on the National Insurance contributions you’ve paid – like contributory Jobseeker’s Allowance, Incapacity Benefit, pensions and maternity benefits. And some are means-tested (based on how much money you’ve got coming in).

To work out what you might be able to claim you could speak to Citizens Advice, your local tax office or Jobcentre Plus.

There’s also a free online calculator at [turn2us.org.uk](http://turn2us.org.uk) to help you check if there are any benefits and tax credits you could claim.

And you can also get more information from the Department for Work and Pensions and HM Revenue & Customs (see page 32 for the names and numbers you’ll need).
Who can claim?
There’s no hard and fast rule, but you could qualify for benefits if you’re:
- on a low income (employed or looking for work);
- sick or disabled;
- caring for someone;
- 60 or older;
- recently bereaved; or
- pregnant, have a new baby or are bringing up children.

Remember
To get the Basic State Pension, you have to have paid a certain amount in National Insurance contributions over your working life. But you might be able to pay an amount to cover any missing contributions. To check your situation, go to direct.gov.uk and fill out the ‘BR1’ form.

Remember
You might be entitled to extra support and benefits, so it’s worth investigating. Page 32 shows you where to go for more information.
Borrowing sensibly

Whether you just need a little to tide you over, or enough to buy a new car or start a new business, we can help you weigh up all the options.

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Different ways of borrowing

Personal loans
If you’re buying something like a car or a new kitchen, a personal loan can help spread out the cost. Most offer fixed rates and a fixed term, so you’ll know exactly what you’re going to pay each month, and for how long.

If you need to borrow £25,000 or more, you might be able to add it on to your mortgage and you could pay less interest depending on the repayment term. You should only consider this option if it adds value to your home.

Overdrafts
A bank overdraft might be the answer if you just need a little to tide you over. Always arrange your overdraft with your bank in advance or you could end up paying more interest and charges for an unauthorised overdraft.

Store cards
Store cards can be useful if they help you get a one-off discount. But they often have high interest rates. So it’s best to avoid borrowing on them.

Credit cards
Credit cards can also be a flexible way to borrow smaller amounts. But it pays to manage them carefully.

- Go for a card with 0% interest – but be ready for when the 0% deal ends.
- If you don’t have a 0% deal, try to pay off the whole balance every month – even if you have to dip into savings (you’ll pay a lot less interest in the long run).
- If you can’t repay it in full, pay as much as you can.
- Never pay just the minimum if you’re being charged interest – it could take years to pay off the balance.
- Don’t wait for the ‘payment due’ date – pay your bill as soon as it comes because interest is charged right up to the date the card company receives your payment. You can set up a Direct Debit, so there’s no chance of missing a payment. If you’re not sure how much you’ll be able to pay each month, set up the Direct Debit for the minimum and make a separate payment for the extra you can afford each month.

Remember
The Annual Percentage Rate (APR) represents the total cost of borrowing. So a card with an advertised APR of 30% will cost more than a card with an APR of 20%.

To find out more visit natwest.com/borrowing
Different ways of borrowing

Hire purchase
For expensive things like cars, a hire-purchase agreement lets you pay a deposit up front, then the rest in monthly repayments for a set time. But watch out for high interest rates, or ‘buy now pay later’ interest-free deals – if you don’t pay it off on the payment date, they can charge you interest all the way back to the day you bought the item.

Debt consolidation
Borrowing a lump sum to pay off several debts can simplify your finances. But you should only do it to tackle those high-interest debts which you can’t switch to a lower rate.

There are lots of debt-consolidation or debt-management firms out there offering to bring all your debts under one roof. But even though your monthly repayments might be less, you could end up paying a lot more, for a lot longer than if you’d paid them off yourself. These firms can also charge very high fees and their involvement can affect your credit rating.

If you’re struggling with your debts, you can get free independent advice and debt counselling. It can help stop you falling victim to high fees, hidden charges or unscrupulous companies. See page 32 for some names and numbers.

Mortgages
For most people, a house is the biggest thing they’ll ever buy. If you’re doing it for the first time, it’s important to know about all of the extra costs – like money for your deposit, legal fees, surveys, stamp duty and moving. That’s on top of your monthly repayments, running costs and the odd unexpected repair.

Here’s what to think about before you start house-hunting
How much can you borrow?
It depends on a few things:
- how much money you earn;
- how much you can afford to pay back each month (use our budget planner on page 6);
- how much the property is actually worth (you can’t normally borrow more);
- how much you can put down as a deposit (you’ll usually need at least 10% of the purchase price – but you can get lower mortgage rates with a bigger deposit); and
- your credit history, employment history and the condition of the property you want to buy.
Choosing the right mortgage

There are three basic types of mortgage. Working out which one to go for depends on your personal situation and future plans.

- **Fixed-rate mortgages**
  You know how much your payments will be every month, and that they won’t change for a set period of time.

- **Tracker mortgages**
  Your rate could go up or down as the Bank of England Base Rate goes up or down, so you need to think about what would happen if rates were to rise. A 0.25% increase works out to roughly £16 a month extra on a £100,000, 25-year repayment mortgage.

- **Offset mortgages**
  Instead of earning interest on your savings, you pay less interest on your mortgage instead. If you have a £100,000 mortgage and £20,000 savings, you only pay interest on the £80,000 difference. You don’t earn any interest on your savings – but the amount you save on your mortgage could be much more.

Remember

Whether you’re taking out your first mortgage or looking for a better or bigger one, you should always talk to a professional mortgage adviser.

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YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE

To find out more visit [natwest.com/mortgages](http://natwest.com/mortgages)
Savings

If you can afford to do it, it’s always a good idea to put some money away – however little. Whether it’s for something you’ve always wanted, or something you don’t even know you’re going to need. A holiday, a rainy day, your retirement. What’s important is to get your money working hard for you (not the taxman).

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Different ways to save

If you can it’s a good idea to put some money aside ‘just in case’. Before you start building up a nest egg, here are a couple of things to think about.

**Everyday saving**

Many current accounts don’t pay very much interest. You should transfer any excess money from your current account into a higher interest-paying savings account to make sure that every pound is working for you.

**Remember**

Couples can pay less tax by keeping their savings in the name of the partner who pays tax at the lower rate (but speak to a financial adviser before you make any changes).

**Short-term saving**

Once you’ve put as much as you can into your cash ISA (and your partner has done the same), you should look for a savings account that pays a high fixed rate of interest if you save a certain amount every month for a year.

**Remember**

Make sure you have another deal lined up for when the one you have runs out. Otherwise, your savings could be automatically moved to an account that pays less interest.

**Tax-free saving (cash ISAs)**

A cash ISA is a tax-free savings account. They tend to pay more interest than other accounts, as your interest is paid tax-free. This means that the interest payable is exempt from UK income tax. With a cash ISA you’ll usually have easy access to your money, but you’re only allowed to put so much in each year – check [hmrc.gov.uk](http://hmrc.gov.uk) to see how much.

To find out more visit [natwest.com/savingsguide](http://natwest.com/savingsguide)
Longer-term savings and investments

If you’re saving for something in the future, like a child’s wedding or your own retirement you could look at our range of longer-term savings and investment options.

Depending on how long you are able to save, or invest your money, as well as how much risk you are willing and able to take, there are a number of products available that may meet your needs.

In addition to our cash ISAs you could also consider stocks and shares ISAs which provide certain tax benefits. Alternatively you may be looking to invest for a defined period of time whilst also having a level of security with your investment.

If however you are looking to invest for a longer period of time, typically viewed as 10 or more years, then we also provide a range of investment options that may meet your needs. These products allow you to invest for as long as you wish but are designed for customers looking to invest for at least 10 years.

These longer term investment products also include pensions, which as with equity ISAs, provide certain tax benefits, however your investment is locked away until you retire.

Unlike savings products, these products can include an element of investment risk and their value can rise and fall over time, you may not get back the amount you originally invested however they can provide you with the opportunity to achieve a better return than saving accounts.

Longer term investment products typically fall into the following four main types;

- **Stocks and shares ISAs**
  Like cash ISAs, there are limits to how much you can invest in a stock and shares ISA every tax year (look on [hmrc.gov.uk](http://hmrc.gov.uk) for the latest information). But it can still be a very tax-efficient way to save for the long-term. A stocks and shares ISA should be considered a medium to long-term investment, but if you need to, you can access your money in an emergency. Never invest money you might need in the short-term in the stock market. If share prices fall, you could get back less than you invested. However, there are products that let you invest in the stock market and are designed to return your initial investment, if you hold onto it for the full term, although this type of product is likely to limit any gains you make if the market performs well.

- **Structured Products**
  While certain structured products are designed to repay your capital at a set date in the future (at “maturity”), they can appear complex so it’s important you understand what they offer before you commit. Some, for example, pay a higher proportion of stock market gains while
others are designed to repay all or part of the money you invested in the event the stock market falls.

- **Collective Investments**
  These are investments that are made up of a pool of funds collected from many investors for the purpose of investing in securities such as stocks, bonds, money market instruments and similar assets.

- **Pensions**
  Private pensions can help you plan for retirement. If you save into a pension, your contributions will normally attract tax relief. So if you're a basic rate taxpayer and put £80 into a pension, the taxman will put in another £20. When you retire, you might be able to take 25% of your total pension as a tax-free lump sum, and take the rest as a regular, taxable income. Check with [hmrc.gov.uk](http://www.hmrc.gov.uk) and [dwp.gov.uk](http://www.dwp.gov.uk) for the most up-to-date rules and rates.

**Remember**

- Generally the bigger the risk the bigger potential reward – or loss. Always consider getting professional advice and make sure you're comfortable with the level of risk.
- As you get closer to retirement, you might want to lower the level of risk for your pension.
- If you've got more than one pension, you could be better off combining them all into one before you retire, so they're simpler to manage.

**Paying tax on your savings**

You have to pay tax on the interest you earn on your savings accounts (except cash ISAs). But the money you put in a pension is usually allowed to grow tax-efficiently. Banks and building societies automatically deduct savings tax from your savings accounts.

Savings interest normally has tax taken off at 20% before you receive it. If you’re a higher rate taxpayer you’ll have further tax to pay.

If you have a low income you may be able to claim tax back. See [hmrc.gov.uk](http://www.hmrc.gov.uk) for further details on savings and tax.

If you're a non tax payer you need to fill out an R85 form (ask your bank) to make sure no tax is taken from your savings.
No matter how well you plan ahead, you can’t predict everything. But even though you can’t know exactly what the future holds, there are a few things you can do to make sure you’re in a position to make the best of things.

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Different protection options

Insurance is one of the things we pay for and hope we never need. Many people have home, car or travel insurance but it’s also important to think about protecting your family and your income.

**Life insurance**

The simplest kind of life insurance is Level Term Assurance. You pay a set amount each month, and your family gets a cash lump sum if you die before a certain date. It needn’t cost much, and it’s a good idea especially if you’re not covered by a good employer insurance scheme.

You can also get Decreasing Term Assurance. This kind of insurance can help pay off your repayment mortgage or loans. It’s slightly cheaper, because your cover automatically decreases over the term. Ideally, you should have separate cover for your mortgage and your family.

**Family income benefit**

This is another form of life insurance, but instead of a lump sum it pays out monthly tax-free amounts from the time you die to the end of the policy. It’s often cheaper than Level Term Assurance, because your cover shrinks the closer you get to the end of the policy. So if you die six months before the policy runs out, for example, your partner will only get six monthly payments rather than a big cash lump sum.

**Critical illness cover**

Critical illness pays out if you’re diagnosed with one of a range of specific illnesses – like a heart attack, stroke or cancer. It can run alongside an income protection policy, can be part of a life insurance policy, and is really important if you have a family to look after. Different policies cover different illnesses, so make sure you check the type and number of illnesses carefully before you choose. For example, not all forms of cancer are included. You can have both critical illness and income protection cover.

**Income Insurance**

Income Insurance is a short term income replacement product that allows you to protect a portion of your income in order to maintain your lifestyle during a difficult time.

If you were to have an accident or sickness that prevents you from working, if you become involuntarily unemployed or you give up work to become a carer for an immediate family member we will pay you an agreed benefit amount for each month that you are not working.

If you are diagnosed with a major illness and will be unable to return to work for 24 months, we will pay you a lump sum payment of 24 monthly benefits.

There are other providers of Short-Term Income Protection and other products designed to protect you against loss of income. For impartial information about insurance, please visit moneyadviceservice.org.uk

To find out more visit natwest.com/protection-options
Being prepared

Losing a loved one, divorce, illness and redundancy can all put a tremendous strain on you and your money. And positive events, like the birth of a child, may also force you to face up to some difficult decisions about your finances. No one can really predict what’s round the corner. But there are some things you can do to make sure you’re prepared – and steps to take when it does happen.

Losing your job

Plan ahead

- Build up a pot of money (three to six months’ wages) in an easy-access account.
- If there’s even a chance your job is at risk, change your budget to clear or reduce your debts before your income reduces.
- Consider taking out redundancy insurance – but be aware that it won’t pay out if you knew you were likely to lose your job when you applied for it.

If it happens

- Put any redundancy money into a high interest, easy-access savings account. Don’t invest in longer-term savings – you may need your money quickly.
- If your employer goes bankrupt, find out if you need to claim for any wages or payments.
- Draw up a new budget to make sure you can cover your essential bills, and cut back on everything else.
- If you’re struggling to cover your bills, tell your mortgage lender and utility providers – you might be able to come to some agreement to help spread the costs or take a payment holiday.
- Check your insurance policies and talk to your insurers to see what you can claim.
- Find out if you qualify for tax credits or state benefits – talk to your local tax office, Citizens Advice Bureau or Jobcentre Plus. Or go to direct.gov.uk
- Look for new opportunities or training. But be aware that there are some unscrupulous companies that take advantage of people who’ve lost their jobs, so do your research.
Divorce, or the end of a relationship

Plan ahead
- No one plans on divorce but if you see it coming get legal advice as soon as possible.
- If the separation is likely to be friendly, make sure you each have separate bank accounts so you can have some financial privacy right away.
- Keep a record of your spending so you can prove your standard of living.

If it happens
- Sever financial links with your ex-partner quickly and cleanly. Organise your own bank account and credit card.
- Make sure you have a clear record of your ex-partner’s financial position, including their pension and anything you own together (like joint accounts and property).
- Check whether you can get any tax credits or state benefits – like child tax credit, working tax credit, or council tax discounts.
- Change your insurance arrangements, if you need to.
- Consider taking out life insurance on your ex-partner to cover maintenance payments.
- Draw up a new will to protect your children or other dependants – and to make sure your money goes where you want it to.
- Try not to let your emotions cloud your judgement. The more you bicker through your lawyers, the more time, money (and goodwill) it’ll cost.
- If you’re the one making the financial settlement, talk to a lawyer about getting a final Consent Order to stop your ex-partner coming back for more money later.
Illness

Plan ahead

- Think about how you and your family would cope financially if you fall seriously ill.
- See if you can add to your savings or investments.
- Check your employer’s sick pay policy.
- Look into taking out insurance – or make sure you’ve got enough cover already. Most insurers won’t cover people for pre-existing illnesses.
- Make sure you’re putting enough money away for your retirement.
- Make sure your will is up to date.

If it happens

- Talk to your bank and service providers right away if you’re going to need more time to pay your bills.
- Rethink your financial plans and budget.
- Think about using any money you’ve set aside for emergencies.
- If you have substantial savings and investments, look into rearranging them so that they give you a steady income.
- Look at ways to spend less – see if you can get a better rate on your mortgage, loans or utility bills.
- Find out if you qualify for any benefits, including help with transport and prescriptions. The benefits system is complex, so it’s best to get expert advice.
- See if you could get financial guidance and support from a charity, like Macmillan Cancer Support. We’ve included contact details on page 32.

Remember

We can help you review your finances and plan for the future – just visit your local branch and speak to one of our Customer Advisers.
Being prepared

Death
Plan ahead
- Make sure you’ve got enough life insurance.
- Write a will to make sure your money goes where you want it to when you die.
- Make sure your occupational and private pension scheme trustees know what you want to happen if you die.

If your partner dies
- Get in touch with all of the organisations your partner had financial arrangements with (like insurance, pensions and investments).
- Get extra copies of the death certificate – most organisations won’t accept photocopies.
- Check to see if you qualify for extra financial help, like Bereavement Allowance, Bereavement Payment and Widowed Parents Allowance.
- Don’t be rushed into making decisions.
- If your partner looked after your finances, get professional advice on how to manage your spending.
- If you’re getting money from an insurance policy or pension, consider getting professional advice about the best way to invest it.

Having a baby
Plan ahead
- Work out a budget – can you afford to give up work?
- Think about whether you’ll need a bigger house – or one that’s close to the right childcare and schools.
- Check to see if you’ll qualify for Child Tax Credit.
- Look into flexible working, to help cut down on childcare while you keep working.

When it happens
- Make a will – or update the one you’ve already got.
- Look into life insurance, critical illness cover and income protection.
- If you need to get a bigger car or to make home improvements, get professional advice about the best way to borrow.
Retirement

Plan ahead
- Start saving as soon as you can.
- Work out a retirement budget – don’t underestimate how much you’ll need to live on.
- Check your entitlement to the Basic State Pension – make sure you’re up to date with your National Insurance contributions.
- Review your personal pensions regularly to check how much they’re likely to be worth when you retire.

When it happens
- Check whether you qualify for Pension Credit.
- Make sure you’re getting all the benefits you qualify for – talk to Age UK or your local Citizens Advice Bureau for free help (see page 32 for names and numbers).
- If you’re getting money from an investment policy or pension, consider getting financial advice.
- If you don’t have to pay tax anymore, fill out an R85 form to stop tax being taken from your savings account. And think about switching to taxable investments, if the returns are better.
- If you’re struggling to pay the bills, you might want to think about getting a part-time job.

Remember
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Dealing with debt

Anyone can end up in debt for all sorts of reasons – losing a job, medical problems, losing your partner, or even having a baby. But there are people who can help. And there’s no need to feel embarrassed, ashamed or alone.

Things to consider

- Don’t ignore the problem. Get in touch with anyone you owe straight away, and explain your situation before you fall behind with your payments.
- Work out a new budget. The more realistic and specific you can be with the people you owe, the better.
- Don’t be too quick to borrow more money. Get professional advice before you take out any kind of loan – especially if it’ll put your home at risk.
- Check your insurance policies. You might be able to make a claim.
- See if you qualify for tax credits or benefits. Don’t assume anything, talk to your local tax office to be sure.
- Prioritise your debts. Pay off the most serious debts first – like tax, mortgages and secured loans.
- Be realistic. Work out a payment plan you can really afford with the people you owe.
- Get independent advice. Talk to your bank or building society, or one of the organisations on page 32.
Where to turn

Free debt advice .......................... 30
Debt management companies .......... 30
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Where to go for extra help ............. 32
Where to turn

Free debt advice
You can get free independent advice from your local council, Citizens Advice and other advice centres and telephone help lines. Their trained advisers can:

- help you come up with a personal budget plan;
- talk through all your options (including some you might not have heard or thought about);
- tell you if you can get tax credits or benefits;
- check if you’re really responsible for all the debts you’re being asked to pay;
- make sure you pay the most important debts first;
- help you negotiate fair repayment plans with the people you owe money to; and
- tell you where to get help with other problems, like redundancy or divorce.

Debt management companies
Don’t be misled by the name. Debt management companies don’t actually manage your debt for you – they just speak to your lenders on your behalf, for a fee. Their fee is usually a percentage of whatever you agree to pay your creditors every month. And often, you can get the same help and advice for free elsewhere. See page 32 for a list of contacts.

Debt elimination companies
Debt elimination companies work by looking for legal arguments why you might not be responsible for repaying your debts. They believe that many credit agreements were incorrectly set up in the first place, and can be challenged in court. They may get solicitors to work on a ‘no-win no-fee’ basis for you – but they may also charge you fees of their own, whether you win your case or not.
Your credit rating

Every month, credit reference agencies gather information about your debts and repayment history. When you apply to borrow more, lenders can see some of that information. If you have debts, you may find it harder to borrow, or have to pay much higher interest rates as a result. You can get a copy of your own credit rating from:

Equifax Credit File Advice Centre
PO Box 1140
Bradford BD1 5US
equifax.co.uk

Experian
Consumer Help Service
PO Box 8000
Nottingham NG80 7WF
(online at experian.co.uk or by phone on 0844 481 8000)

Callcredit Plc
Customer Service Team
One Park Lane
Leeds LS3 1EP
callcredit.co.uk

These companies will often charge a fee to get your report and so it’s best to double check.
Where to go for extra help

It’s always a good idea to talk it through with a professional before you make any decisions. Here are some names and numbers that might be helpful. You can contact these organisations for free, confidential and impartial advice.

Citizen’s Advice
Citizen’s Advice Bureau is a registered charity that provides advice on a wide range of matters including debt advice. Look for your nearest office in the Yellow Pages under ‘Counselling and advice’.
citizensadvice.org.uk

Community Legal Advice
A free and confidential advice service in England and Wales paid for by legal aid. If you are living on a low income or benefits, you may be eligible for free specialist advice from legal advisers on issues including: benefits and tax credits, debt, education, housing, employment and family problems.
0845 345 4345 (Monday-Friday 9am-8:00pm, Saturday 9am-12.30pm)
CommunityLegalAdvice.org.uk

Department for Work and Pensions
The starting point for everything to do with benefits and the state pension.
dwp.gov.uk

Direct.gov
A Government website with advice on managing your money, debt, pensions, benefits and other money issues.
direct.gov.uk

Local Authorities
Some local authorities offer in-house money advice centres. Check with your local authority for further information.

Macmillan Cancer Support
Macmillan Cancer Support improve the lives of people affected by cancer and campaign for better cancer care.
Call 0808 808 000 for advice on claiming benefits (8am to 8pm Monday to Friday).
macmillan.org.uk

Money Advice Service (MAS)
An independent service set up by the government to help people make the most of their money. They provide free money advice to everyone across the UK.
Freephone 0300 500 5000 (Monday-Friday 8am-8pm, Saturday 9am-1pm)
moneyadviceservice.org.uk

National Debtline
A national telephone helpline for people with debt problems in England, Scotland and Wales. National Debtline will discuss your debt problems with you and the options available to you.
Freephone 0808 808 4000 (Monday-Friday 9am-9pm, Saturday 9.30am-1pm).
nationaldebtline.co.uk
Free debt advice and debt solutions for anyone experiencing financial difficulties, whatever the circumstance or situation.
Freephone 0800 280 2816 (Monday-Friday 8am-9pm, Saturday 9am-3pm). If you’re calling from a mobile, it might be cheaper to call Payplan on 020 7760 8980.

Payplan
payplan.com

A charity that works to alleviate the stress caused by homelessness and bad housing in England, Scotland and Wales. They give advice, information and advocacy to people in housing need.
0808 800 4444
If you’re calling from England, lines are open Monday-Friday 8am-8pm and Saturday-Sunday 8am-5pm, or from Scotland, Monday-Friday 8am-5pm.
If you’re calling from Wales, call 0845 075 5005, Monday-Friday 9.30am-4.30pm.

Shelter
shelter.org.uk
scotland.shelter.org.uk
england.shelter.org.uk
sheltercymru.org.uk

Assists people in financial difficulty by providing free, impartial and realistic debt advice.
Freephone 0800 138 1111 (Monday-Friday 8am-8pm, Saturday 9am-3pm).

StepChange Debt Charity (formerly CCCS)
stepchange.org

If you’re a NatWest customer and you’d like some help in getting the most from your money, you may want to arrange a free Customer Review. You may be:
- Juggling repayments on credit cards and loans.
- Paying too much for your mortgage.
- Paying more tax than you need to.

To arrange a face-to-face appointment with one of our experienced Customer Advisers who could help you identify where changes could be made please contact your local branch.
Jargon buster

Below we’ve explained some of the words and phrases that are often used in mortgage, insurance and borrowing documents.

Mortgage jargon

**Advance**
The money you borrow to buy your property.

**APR**
Annual Percentage Rate. The APR includes information on the interest rate you’ll pay, how you’ll repay the mortgage, the mortgage term and any other charges. You can use this information to compare different mortgages.

**Arrangement fee or product fee**
A fee that you might have to pay to the lender as part of the mortgage.

**Building survey**
The survey a qualified surveyor carries out to spot faults and potential problems in the property you’re buying.

**Capital**
The amount of money you borrow and pay interest on.

**Completion**
When you become the legal owner of your new property.

**Contract**
The legal document that, when signed, makes you the new owner of the property.

**Conveyancing fee**
The fee charged by a solicitor or licensed conveyancer. They will manage the legal paperwork involved in buying or selling a property.

Credit scoring

A search of your borrowing record and applications for credit - often called your credit history. A lender will check your credit history before deciding whether to lend you money.

**Disbursements**
Charges like Stamp Duty and Land Registry fees. You pay these to the conveyancer.

**Early redemption fee or early repayment charge**
If you pay your mortgage back early or move to another lender, you might be charged a fee.

**Endowment**
An investment plan that you usually pay into each month and that pays out a lump sum at the end of a set period. Usually used for interest-only mortgages.

**Equity**
The total value of your property minus the amount of the mortgage. So if your house is worth £120,000 and you have a mortgage of £100,000, you have equity of £20,000.

**Exchange of contracts**
This is when you’re committed to buying the property.

**Financial Services Compensation Scheme (FSCS)**
The FSCS may be able to pay compensation to customers if an authorised financial service firm becomes insolvent or ceases trading.
Financial Ombudsman Service
The official independent complaints scheme which works to resolve complaints between consumers and businesses providing financial services.

Financial Services Authority (FSA)
The FSA looks after financial services and protects your rights. It has done this with mortgages since 2004. Anyone who lends you money needs FSA authorisation and must follow its rules when dealing with you.

Freehold
When you own a property and the land it stands on, you become the freeholder.

Higher lending charge
If you borrow a high percentage of the price of the property, say 90%, it's seen as a higher risk than usual for a lender. So you might have to pay this fee.

Interest
The money you're charged for borrowing. Interest can be variable (go up or down) or can be fixed.

Key Facts Illustration (KFI)
Important information for you, set out in a standard way, so you can compare a financial service, product and costs. Make sure you get them and read them.

Land Registry fee
A fee you pay to the Land Registry to register ownership of your property.

Lease
The lease is the legal contract that makes a person who buys a leasehold property the legal owner for a certain amount of time. A leaseholder owns the property for that time, but they don't own the land it stands on.

Legal fees
A fee you pay to a solicitor for their services. You'll need a solicitor to help you buy or sell a property.

Loan-to-value
The ratio between the size of the loan you are looking for and the mortgage lender's valuation of the property.

Lump Sum Reduction
A lump sum you can pay on top of what you pay monthly to reduce your mortgage.

Mortgage deed
The legal agreement that gives the lender rights to your property.

Mortgage exit fee (often referred to as a sealing fee)
A charge at the end of your mortgage, when the property is released to you.

Mortgage term
The length of time you'll be paying back your mortgage.

Offer of advance
An offer by a mortgage lender to provide you with a mortgage.

Redemption
Paying off your mortgage in full.

Repayments
The amount you have to pay back to the lender (usually monthly) when you borrow the money.

Security
When you take out a mortgage, the security is the property. If you don't pay your mortgage payments when you should, the lender has the right to repossess the property and sell it to recover the debt.

Stamp Duty
A government tax you pay if you buy a property over a certain value.

Title deeds
The legal documents that explain ownership of a property.

Valuation
A check of your property to confirm the value and suitability as security for the mortgage.

To find out more visit natwest.com
Insurance jargon

Adjuster
The person who investigates and assesses the claim on behalf of the company you’re insured with. They’re sometimes called Claims Adjusters or Loss Adjusters.

Buildings insurance
When you take out a mortgage, one of the conditions is that you have buildings insurance for the property. The cost of your buildings cover is based on how much it would cost to rebuild your property.

Claims
If you are injured or suffer a loss you will make an insurance claim to the company you have the insurance policy with.

Claimant
This is the person making the claim.

Contents insurance
Contents insurance covers the things in your home from loss or damage. This could include furniture, appliances, jewellery or gadgets.

Excess
This is the amount you will pay towards any claim you make. The insurance company will pay the rest, if your claim is approved.

Exclusion
An exclusion is something that is not covered within your insurance policy. For example, your home contents insurance might not cover your possessions (like a laptop) when you’re away from home. This would be an exclusion.

Financial Ombudsman Service
If you make a complaint and your insurance company doesn’t deal with it to your satisfaction, you can talk to the Financial Ombudsman Service. They will investigate your complaint. The insurance company have to keep to any decision they make. If you don’t agree with the Ombudsman’s decision you can appeal to the court if you want to.

Insurance Premium Tax
A tax added to nearly all insurance policies (except life assurance). This tax is included in the insurance premium that you pay.

Insured
If the insurance policy is in your name, you are the insured.

Insurer
The insurance company.

Limit
Most insurance policies will have a maximum limit. This means that any payout will be below this limit. The limit can be set as a yearly limit, or for each claim.

Loss
Another word for a claim.

Loss Adjuster
Independent qualified loss adjusters are used by insurance companies as they have experience in investigating complicated claims. An adjuster is an independent person who will review the claim and recommend how much should be paid out.

Loss Assessor
1. For car insurance, this is an engineer.
2. For other types of insurance, this person can act on your behalf when you’re making a claim. They will negotiate with the insurance company, but will charge you a fee.
**New-for-old**
This is when your insurance company replaces your old items with brand-new replacements, if they are lost or destroyed.

**No-claims discount**
A no-claims discount is a discount that you get on your insurance premium as a reward for not having made a claim under your policy. This is common in car insurance.

You need to build up a claim-free driving history in your name to benefit from the discount so you can’t get one when you first start driving. The discount offered will be different from one insurer to another.

**No-claims discount protection**
If you have an accident and need to make a claim, you may lose your no-claims discount. With some insurers, you can pay extra to protect them.

**Non-disclosure**
If you fail to tell your insurance company something about yourself or your circumstances before they agree to insure you, you might find that they reject any claim you make later.

**Policy**
A document that explains the terms and conditions of your insurance. Your policy is a legal document which proves that you are insured for a set period of time. You’ll be given this by your insurance company.

**Policy holder**
If the insurance policy is in your name, you are the policy-holer. (This is the same as being the insured).

**Premium**
Your insurance premium is the amount that your insurance company will charge you for your insurance.

**Quote**
Before you agree to any insurance, the insurance company will give you a quote. This shows how much your insurance premium will be.

**Renewal notice**
Your insurance company will contact you, before your current insurance policy ends, inviting you to renew it for another period of time. You can decide to renew your insurance with the same company, or you can shop around.

**Sum insured**
This is the total amount that you are insured for.

**Third party**
Someone involved in a claim who isn’t the policy holder or the insurance company.

**Warranty**
This is a strict condition that the insurance company includes in the policy. If you break this condition, your insurance company might decide to stop providing cover.
Borrowing jargon

APR
Annual Percentage Rate. The APR includes information on the interest rate you’ll pay, how you’ll repay the loan, the loan term and any other charges. You can use this information to compare different loan options.

Quote
The estimated cost of a loan, usually showing monthly repayments and the total amount that will need to be repaid.

The actual cost of your loan could be different from the quote – because the actual cost is based on your specific circumstances. Your lender will give you the actual cost during the application.

Repayments
The regular amount a borrower pays to a lender in order to repay the loan. Most loan repayments have to be made once a month.

Term
The length of a loan, which is usually given in months.
Make sense of your money

For more information, go to natwest.com