

# Tips to avoid Christmas Debt

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## Plan for Christmas

Be realistic and budget accordingly. Conduct an inventory and see what can be reused. 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.



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## 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.



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## 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.



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## Keep things simple

If you can afford to pay for your goods outright by cash, debit card or cheque don't be persuaded to take out extended credit agreements unless they really do work out cheaper.



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## Shop around by calling/emailing

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



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## Buy safe to be safe

Whatever the deal, whatever the temptation, ensure that you get a receipt that bears the description of the item purchased. As much as possible, don't buy electronic devices and electrical appliances without getting them tested.



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## 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.



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## Do check the cost of credit

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.



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## Be organised

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



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## 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 start saving for next Christmas.

