

# Debt

Your financial wellbeing is just as important as your physical and mental wellbeing, so it's important to find time to effectively manage your money.

Money worries are not just a financial problem they can cause relationships to end, people to lose homes and families to break down. People from all walks of life can end up in debt for many different reasons, divorce, redundancy, ill health, bereavement. It's not always easy to talk about money worries but if you're struggling financially it's important to take action. If you're worrying about money there are things that you can do to get your finances back on track.

Not everyone is financially comfortable in their retirement. Not having sufficient funds in retirement can contribute to feelings of social isolation and loneliness. However, retirement is the perfect opportunity to review your financial situation.



## Tips on how to improve your financial wellbeing

- **Take stock** - where do you owe money and what are the interest rates.
- **Work out your budget** - what money do you have coming in, what do you need to pay for and what's left for paying off debt. Use our budget calculator at [www.policemutual.co.uk/calculators-and-tools/budget-calculator](http://www.policemutual.co.uk/calculators-and-tools/budget-calculator) to help you manage your money. Set yourself a daily spend limit based on how much disposable cash you have each month.
- **Getting the best price?** - check that you're not overpaying for your bills and utilities, where can you make savings, for more information look at [www.moneysavingexpert.com/utilities](http://www.moneysavingexpert.com/utilities)
- **Set up a separate bill account** - transfer an amount each month to cover the cost of all your household bills.
- **Check your bank balance** - each week so there are no nasty surprises. Consider using an app so you can see all your accounts in one place.
- **Look at your general insurance** - car insurance look at [www.policemutual.co.uk/products/insurance/narpo-car-insurance](http://www.policemutual.co.uk/products/insurance/narpo-car-insurance) and for our home insurance look at [www.policemutual.co.uk/products/insurance/narpo-home-insurance](http://www.policemutual.co.uk/products/insurance/narpo-home-insurance)
- **Check your credit score** - using one of the various companies available online including, [Experian](#), [Equifax](#) or [Trans Union](#)



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## Be aware of how you spend your money

Unless you intend to pay off the balance each month using credit cards for everyday purchases is a warning sign that something may not be quite right. Stick to the golden rule of borrowing: don't go into debt for something that will last for less time than it takes to pay back the amount borrowed.

### Golden rules for 0% credit cards

- Always clear debt or move the debt before the 0% or lower rates ends.
- Repay at least the monthly minimum or you may lose the lower rate.
- Don't spend or withdraw cash on a balance transfer card. If you do you could end up with additional charges.
- 'Up to deals' mean you may not get the 0% length you apply for if you've got a poorer credit score. For example, you could, apply for a 20 months 0% deal but get accepted for a 12 months 0% card.



**Overdrafts** - is a type of credit that's linked to a bank account. It allows you to spend more money than is in your account, up to an agreed limit. It's important to remember that overdrafts are a type of debt and that they are repayable 'on demand'.

**Debt consolidation** - means moving all your debt to one place, this could be in the form of a loan or a credit card. However, this doesn't mean the debt is gone, it simply removes the stress of dealing with multiple lenders as you only owe one lender money which is payable by monthly installments. By consolidating your debts it could lead to the repayment of the debt being over a longer period.



**Buy Now Pay Later** - is offered by many retailers on major purchases, this could be a new sofa or laptop. These are great but you need to ensure that you make the payment on time or you may face extra charges.

**Pay Day Loans** - are a short term, unsecured loan for people who don't have enough money each month to cover outgoings due to an unplanned expense. This should always be seen as a short term solution. The amount you borrow can range from as little as £50 to well over £1,000. The representative APR\* of a payday loan is often high, interest and other charges can quickly turn this short term solution into an overwhelming debt.

\*APR stands for the Annual Percentage Rate.

## Impact of Debt on your mental health

Worrying about money can negatively affect your mental health and for those people experiencing mental health problems it makes it harder to manage their finances. It's important to start talking about money worries before your situation gets worse.

Talking about money will give you the confidence to get help and find out who can best advise you on any problems. It can give you a great sense of relief to share your problems, so you're not facing them alone. If you don't feel ready to talk to someone, write down what you are going through and share it with somebody you can trust. It's important to seek professional advice as soon as possible and not wait until it's more difficult to find a solution.



## Getting help with debt

We've teamed up with **PayPlan\***, one of the UK's leading free debt advice providers, who offer free and confidential advice to anyone in serious financial difficulties. They're able to advise you on a range of debt solutions suited to your individual circumstances, helping to protect you and your family with a sustainable way to manage your debt.

Get free and confidential help to combat your debt, call **PayPlan\*** on **0800 197 8433**.

If you don't want to talk on the phone, it is also possible to use their online chat service.

## Getting help:

AGE UK

[www.ageuk.org.uk](http://www.ageuk.org.uk)

[www.ageuk.org.uk/cymru](http://www.ageuk.org.uk/cymru)

[www.ageuk.org.uk/scotland](http://www.ageuk.org.uk/scotland)

[www.ageuk.org.uk/northern-ireland](http://www.ageuk.org.uk/northern-ireland)

CITIZENS ADVICE

[www.citizensadvice.org.uk](http://www.citizensadvice.org.uk)

[www.cas.org.uk](http://www.cas.org.uk)

[www.communityni.org/organisation/citizens-advice-northern-ireland](http://www.communityni.org/organisation/citizens-advice-northern-ireland)

GOV UK

[www.gov.uk](http://www.gov.uk)

[www.gov.wales](http://www.gov.wales)

[www.gov.scot](http://www.gov.scot)

[www.nidirect.gov.uk](http://www.nidirect.gov.uk)

[www.moneysavingexpert.com](http://www.moneysavingexpert.com)

[www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk)

## Health & Wellbeing

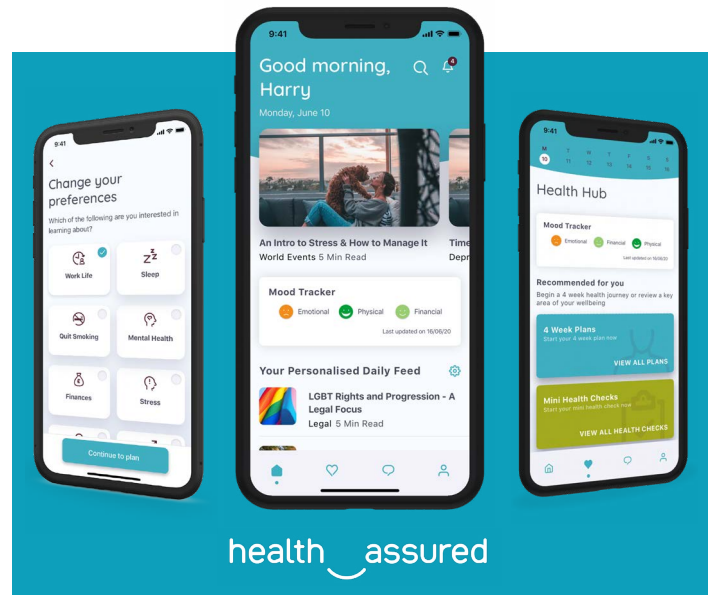
Our Care Line Service provided by Health Assured can offer wellbeing advice and information, helping with a range of concerns including emotional support. Take a look at the e-portal or download the APP.

## Health & Wellbeing e-portal

<https://healthassuredeap.co.uk>

Username: policemutual

Password: careline



Download the **Health Assured App** and register today - your code is **MHA107477**

Police Mutual offer a range of wellbeing support services, for more details check out the wellbeing pages on our website: [www.policemutual.co.uk](http://www.policemutual.co.uk)

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