




Ten top tips to avoid a Christmas debt hangover



- 1. Plan for an early 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.
 - . Don't forget 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.
 - 3. 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.
 - 4. Keep things simple** - If you can afford to pay for your goods outright by cash, cheque, or debit card, don't be persuaded to take out extended credit agreements unless they really do work out cheaper.
 - 5. Shop around** - Try as many different places as possible to find the best price. Buy what you want 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.
 - 6. 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.
 - 7. 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 more attractive, but if you don't pay on time, or miss a payment, you could have to pay a lot more.
 - 8. 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.
 - 9. 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.
 - 10. 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.
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