

### Myths about credit quiz

Here are 10 questions about borrowing money.

One end of the room is Yes and one end is No. When each question is read out decide whether the answer is Yes or No and move to the Yes or No end of the room.

1. Is APR the only thing that affects the cost of borrowing?
2. For a loan to be legal, do you need you a contract telling you what you owe and the terms of repayment?
3. Is paying for a bill in instalments (over several months) always better than if you pay upfront?
4. Are payday loan companies (such as Wonga) and doorstep lenders (such as Provident) loan sharks?
5. Does a lender have to notify you if it wants to change the amount you owe or the APR?
6. If you are running a bit short of money, is using your bank overdraft is always the cheapest option?
7. Is it illegal to borrow from a loan shark?
8. Do you have to wait until you are 18 to borrow money?
9. If you owe money to a loan shark do you need to clear the loan before you can ask for help?
10. Must you have a good credit history in order to borrow money?