

DEBT QUIZ 2018

ANSWER SHEET

1) The average household debt in the UK (including mortgages) is:

- a) £10,297
- b) £37,462
- c) £58,658
- d) £98,880

2) Bailiffs are allowed to force their way into your house the first time they visit

TRUE

FALSE

But once they have been in your house, they can force entry a second time- so DON'T LET THEM IN!

3) By what age are children's attitudes to money already formed?

- a) 7
- b) 11
- c) 14
- d) 17

4) If you owe money you will have a "black mark" on your credit file

TRUE

FALSE

There are no such thing as 'black marks' – just a rating about how good a credit risk you are. It is up to the lenders to decide whether they want to lend to you based on this.

5) What is the *average* cost of bringing up a child from birth to 18?

- a) 80,000
- b) 125,000
- c) £150,000 (£150,753 from birth to age 18)
- d) 200,000

6) Charitable grants can be used to pay off utility debts

TRUE

FALSE

MADE OF MONEY

Charis grants (01733 421 021) administer these for a number of utility companies. We have also produced an energy pack available to trained facilitators

7) In the UK you have to pay for debt advice and debt management plans

TRUE

FALSE

8) How long do you think it would it take to pay off a credit card (17.9%) debt of £3,000 if you only made the minimum payment each month?

- a) 8 years
- b) 15 years
- c) 22 years
- d) 27 years (actually 27 years 4 months)**

Cheat sheet for question 8

Using the www.moneysavingexpert.com minimum repayment check the total interest cost is shown to be £4,000 on a £3,000 debt!

Last update 22/10/2018

Sources:

- 1) The money charity September 2018 available at <http://themoneycharity.org.uk/money-statistics/>
- 3) Source: <https://mascdn.azureedge.net/cms/the-money-advice-service-habit-formation-and-learning-in-young-children-may2013.pdf>
- 5) research by LV, Liverpool Victoria Friendly society in Jan 2016, note this research is used to sell life insurance!
- 8) own spreadsheet/Moneysavingexpert calculator