

How much would **YOU** pay for a washing machine?

£ PRK %

Rate these types of credit from what you think is the **cheapest** to the **most expensive**.

Then turn over the cards and find out if you're right!

Don't forget – the total cost will be affected by:

- The **APR** (Annual Percentage Rate) – what you are charged shown as a percentage per year
- The **length of time** you have to pay back the amount you borrow
- Your **credit history** – if you have a bad credit history, some lenders will not give you credit, or will charge you higher APR

Note: these are all only representatives of products available in August 2018. WM is an abbreviation of washing machine.



Doorstep Lender

(e.g. Provident)

Pay back weekly **over 1 year**

- + Don't need good credit rating
- + They come to you at your home

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Weekly Payment Store

(e.g. Brighthouse)

Pay back weekly **over 3 years**

- + Don't need good credit rating
- + / - Need to have insurance
- Don't own WM till fully paid for

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Doorstep Lender

Cost of WM:	£304.99	Price per week:	£10.80
Typical APR:	299.3%	Total interest:	£256.61



Weekly Payment Store


Cost of WM: £490.63 (not £304.99!)	Price per week:	£6.25
Typical APR: 69.9%	Total interest:	£484.37





Payday Loan

Short term loan over approx 30 days
(e.g. Quick Quid, Money Shop, etc)

Pay back **within 30 days**

 Don't need good credit rating


 Have to pay back within 30 days


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Store Card

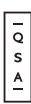
(e.g. Argos card)

Pay back monthly **over 1 year**

 May offer some 'interest free credit'

 Need good credit history

 Have to buy goods at that store, can't shop around

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Payday Loan

Cost of WM: £304.99 Price per month: £380.63 (1 month not 12!)
Typical APR: **1,509.0%** Total interest: **£75.64**




Store Card


Cost of WM: £304.99 Price per month: £29.72
Typical APR: **29.9%** Total interest: **£51.62**




Credit Union

Pay back monthly **over 1 year**

 Don't need good credit rating

 May have to save some money before you can borrow


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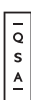
Credit Card

(low APR)

Pay back monthly **over 1 year**

 Need good credit history

 Have to ensure you pay more than the minimum payment!

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Credit Union

Cost of WM:	£304.99	Price per month:	£28.78
Flexi Loan APR:	26.8%	Total interest:	£40.41
Security Loan:	4.9%	Total interest:	£8.02




Credit Card (low APR)

Cost of WM:	£304.99	Price per month:	£ 26.24
Typical APR:	5.9%	Total interest:	£9.87



Save and use my savings

Save monthly **over 1 year**

 Don't need good credit history


 Have to save



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Bank Overdraft

Pay back monthly **over 1 year**

 Need to have good credit history
and bank account to be offered one



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Save and use my savings

Cost of WM: £304.99

Typical AER: **0.01%**

Price per month: £25.41 in advance!

Total interest: **£0.01 (earned)**



Bank Overdraft

Cost of WM: £304.99

Typical APR:

£304.99

n/a daily charge

Price per month: £1.00 per day


Total interest: **£182.50**





Credit Card

(high APR)

Pay back monthly **over 1 year**

 Don't need good credit history

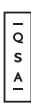
 Have to ensure you pay more than minimum payment!

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High Street Money Shop

Pay back monthly **over 1 year**

 Don't need good credit rating

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Credit Card (high APR)

Cost of WM: £304.99

Price per month: £30.47

Typical APR: **34.9 %**

Total interest: **£60.68**



High Street Money Shop

Cost of WM: £304.99

Price per month: £47.84

Typical APR: **292%**

Total interest: **£269.09**



Weekly Payment Social Enterprise

(e.g. Fair for you)

Pay back weekly **over 1 year**



Don't need good
credit history



You don't own the
WM until it is fully
paid for



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A person my friend knows

Pay back weekly **over xx years?**



Don't need good credit rating and
receive cash upfront



Not clear on how much to pay back
or for how long



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Weekly payment social enterprise

Cost of WM: £345 (not £304.99!)
Typical APR: **36 %**

Price per week: £7.92
Total interest: **£66.80**



A person my neighbour knows

Cost of WM: £304.99
Typical APR: **Won't be told**

Price per month: £???.??
Total interest: **£???.??**



Budgeting Loan

Pay back via benefits
over period set by DWP



Don't need good
credit rating



Only available if you
are on means tested
benefits

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Go without/what else?

Don't buy a new washing machine



No spend



What other costs or benefits might
there be

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Budgeting Loan/Advance

Cost of WM: £304.99
Typical APR: **0%**

Price per week: £2.93* (over 104 weeks)
Total interest: **£0**



Go without/what else?

- Go to the **laundrette** and save the price of the machine as well as all the running costs but 5-6 washes a week will cost you almost £1,500 in a year!
So how about
- Is the washing machine really irreparable? Do you have any **cover** from a warranty/house insurance/appliance insurance
- Looking for **second hand deals**
- Using **friends or family's washing machine** whilst you save (could you cook them a meal or help with their washing to say thank you?)
- Is there something you could **sell to raise the money** or another way of improving your income/spending less?