

Avoid the debt trap

- If you need to use credit, shop around for the cheapest rates.
- Read all the small print before signing the agreement
- Work out the total amount repay not just the weekly payment.
- Make sure the repayments stay within your budget.

0% interest can be an advantage, but only if you repay within the specified time.

Annual percentage rate APR

This takes into account the interest and any other charges such as arrangement fees. All lenders have to tell you what their APR is so that you can compare the cost of borrowing.

Payment protection insurance

- This insurance can be very expensive and in many instances will not cover you when you need it most.
- Be sure that you are eligible for the insurance and will be able make a claim when you need

Store cards

Don't be fooled by the '10% off if you take a card today' offer. This is only a good deal if you can afford to pay the outstanding amount in full. Otherwise the interest will soon make that purchase a very expensive bargain.

Credit cards

If you borrow £1,000 on a credit card at 17.9% APR and make only the minimum monthly repayment of 2% - It will take you over 25 years to repay. This is a very expensive way to borrow.

Affordable borrowing and savings

London Mutual Credit Union

Sometimes it's hard to get access to affordable credit, or even a basic bank account. London Mutual Credit Union has been working in the borough for over 27 years and can offer anyone who lives or works in Southwark an alternative to high cost credit – even if you are on benefits.

If you borrow from a doorstep lender you will probably have to pay £410 interest on a loan of £500 over a year – that means you are paying back £910!

The same amount borrowed from the London Mutual Credit Union over a year costs £67.36 in interest – a potential saving of over £340

Do you need a bank account?

Having a bank account may save you money on utility costs and can help to make sure regular payments, like rent and council tax, are made on time. The London Mutual Credit Union Current Account means you can access your money through the cash machine network.

Come and see us at one of our branches.

79 Denmark Hill, Camberwell
London SE5 8RS

18 Pilgrimage Street, London SE1 4LL

221 Rye Lane, Peckham, SE15 4TP

224b Brixton Hill, London SW2 1HF

www.creditunion.co.uk

London Mutual Credit Union has expanded to now also cover Lambeth