

Activity 1 - Bank Accounts

Task

From these 3 bank accounts, select the account which appeals to you.
Record your selection below. Why have you chosen the account?

Challenge Questions

Do you understand the terms used by each bank?
Can you explain the pros and cons of each bank account?

	Account 1 - Building Society	Account 2 - Supermarket Bank	Account 3 - High Street Bank
Monthly Fee	-	£20	£10
Interest Rate (assume it's per month and on your balance)	5%*	6%***	1%
Maximum interest-free overdraft	Full arranged overdraft**	£100	£10
Unplanned overdraft fee (due for each overdrawn payment)	5% on amount over planned overdraft limit	16% on amount over planned overdraft limit	£6^
Phone Banking	Yes	No	Yes
Internet Banking	No	Yes	Yes
No of branches	700	29	1,600
Account Extras	-	£100 supermarket gift card	1% cashback at selected retailers
		£100 hot drinks vouchers throughout year	Travel insurance and preferential rates on travel money^^
			Mobile phone insurance for up to two devices^^^
Eligibility	£1k minimum deposits per month	-	-

*On balances between £1 and £2,500 for the first 12 months and 1% thereafter

**For first 12 months

***6% for 12 months and 1% thereafter. Interest paid at end of 12 month period.

^£6 per business day balance is overdrawn by more than £10 more than arranged overdraft limit

^^EU countries only

^^^Covers theft and loss, £75 excess

Activity 2: Viewing your credit as spendable income - true/false worksheet

Read each of the statements below. If you think the statement is true, circle the letter T. If you think the statement is false, circle the letter F.

T	F	The money that credit cards advance you (your credit limit) is spendable income (money you can spend).
T	F	If you use a credit card to buy something and pay it off over time, you spend more money than if you pay with cash.
T	F	When you use a credit card, it is the same as borrowing money from a company.
T	F	Credit card companies hope that you will take a long time to pay back the money you charge on your card.
T	F	Credit cards are good for spur of the moment purchases—things you really want but hadn't planned on getting that day.

Activity 2: Viewing your credit as spendable income - true/false worksheet (answers)

Read each of the statements below. If you think the statement is true, circle the letter T. If you think the statement is false, circle the letter F.

T	F	The money that credit cards advance you (your credit limit) is spendable income (money you can spend).
T	F	If you use a credit card to buy something and pay it off over time, you spend more money than if you pay with cash.
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T	F	Credit cards are good for spur of the moment purchases—things you really want but hadn't planned on getting that day.

Activity 3: Debit/Credit/Loans/Overdraft - Exercise

Task

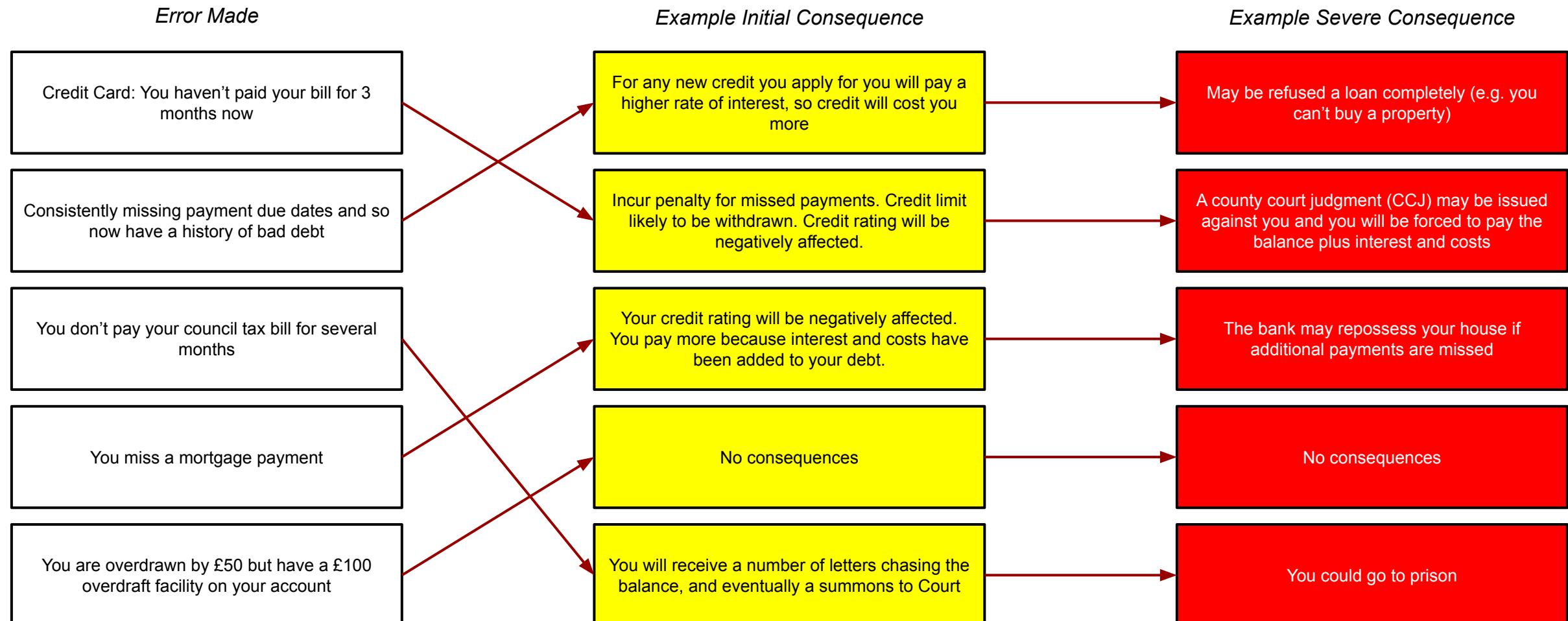
Match up the errors made to the initial and possible severe consequence.

<i>Error Made</i>	<i>Example Initial Consequence</i>	<i>Example Severe Consequence</i>
Credit Card: You haven't paid your bill for 3 months now	For any new credit you apply for you will pay a higher rate of interest, so credit will cost you more	May be refused a loan completely (e.g. you can't buy a property)
Consistently missing payment due dates and so now have a history of bad debt	Incur penalty for missed payments. Credit limit likely to be withdrawn. Credit rating will be negatively affected.	A county court judgment (CCJ) may be issued against you and you will be forced to pay the balance plus interest and costs
You don't pay your council tax bill for several months	Your credit rating will be negatively affected. You pay more because interest and costs have been added to your debt.	The bank may repossess your house if additional payments are missed
You miss a mortgage payment	No consequences	No consequences
You are overdrawn by £50 but have a £100 overdraft facility on your account	You will receive a number of letters chasing the balance, and eventually a summons to Court	You could go to prison

Activity 3: Debit/Credit/Loans/Overdraft - Exercise (answer)

Task

Match up the errors made to the initial and possible severe consequence.



Activity 4: Statements about university costs – true or false

Read each of the statements below. If you think the statement is true, circle the letter T. If you think the statement is false, circle the letter F.

T	F	Government student loans are paid to you in once-a-month instalments.
T	F	Student loan amounts vary according to where your university is based.
T	F	Your student loan will always cover your accommodation costs plus reasonable living costs.
T	F	You will have to pay off your student loan as soon as you leave university.
T	F	Your monthly payback amount on the student loan will vary according to how much you earn after university.

Activity 4: Statements about university costs – true or false (answers)

Read each of the statements below. If you think the statement is true, circle the letter T. If you think the statement is false, circle the letter F.

T	F	Government student loans are paid to you in once-a-month instalments.
T	F	Student loan amounts vary according to where your university is based.
T	F	Your student loan will always cover your accommodation costs plus reasonable living costs.
T	F	You will have to pay off your student loan as soon as you leave university.
T	F	Your monthly payback amount on the student loan will vary according to how much you earn after university.

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