

Summer-time - A time for fun, sun and Plastic Surgery!

It's the time of year when thoughts can turn to days-out and holidays away; and the pressure to enjoy ourselves, make the most of the summer *and* keep the children entertained can weigh heavy on both mind and wallet.

I'm not suggesting a 'nip and tuck' or botox is the answer to surviving the summer, despite what some TV shows would have us believe, but it is a time when family finances can become strained and extra care is needed. If you are one of the millions who quietly cross their fingers for luck each time they visit the hole-in-the-wall (never knowing if the funds are there) or have got into the habit of routinely paying the 'minimum amount' on credit cards, then maybe it's time for a financial health check this summer.

Debt has become an accepted part of life. Every house 'owner' with a mortgage is in debt, every credit card user, every person hopping the line between credit and overdraft in their current account. The real question is whether it's under control, in-hand and is there a plan?

The consequences of spiralling debt is something I see week-in and week-out and the effect on individuals and families is always devastating. It often leads people to secrecy, isolation and untold stress – and it's indiscriminate. Statistics from the National Debtline suggest it's more than twice as likely to effect the full-time employed than the unemployed and nearly half of the people who contact them have debts of over £15,000.

There is a distinction between being in poor financial shape and being in debt crisis but one can quickly lead to the other.

You're in debt crisis if you can't afford to meet your minimum debt repayments or by doing so you can't meet your essential outgoings. People often fall into the trap of borrowing more to cover repayments and those 0% credit transfers are too tempting. Sadly the result is often max-ing out on 2 credit cards not one, and the problem is quickly doubled. If this is you then please don't hide any longer, don't keep it secret from family and loved ones and do seek help. Burying heads in the sand is a common response and understandable when the phone doesn't stop ringing from creditors and you're dreading the next days post; but it won't go away and help is available. See below for details.

Poor financial shape is different. This situation isn't as dire but some warning signs might be present. Try these questions.

Do you know how much is in your current account? Do you often rely on the overdraft? When making a big purchase do you ask can I really afford it or can I simply afford the minimum monthly repayment? Do you know the interest you are paying on your credit cards? If the answer to these is an uncomfortable shrug then it might be time to seek some help.

Credit cards are undoubtedly convenient but it's an unreal world where we can have whatever we want – when we want it and we don't even need to save! It's big business and lenders love the 'minimum amount-payers' because that's where they

make their money. Add to this the tricks of ever-increasing credit limits, credit card cheques in the post, stealth increases in the APR and the magic of ‘compound interest’ and suddenly they don’t look so convenient!

The true convenience-user typically pays off the full balance each month but the banks don’t make any money out of these people nor do they encourage it.

Plastic is handy but there was nothing quite like having to part with real cash to get a grip on spending. Before credit cards - if we didn’t have the cash on us – we simply couldn’t buy. This allowed a healthy cooling-off period to decide whether that must-have purchase was truly as necessary as we thought.

If your finances are getting out of hand and credit is too tempting- try some plastic surgery of your own this summer. Take a pair of scissors to the cards and do a neat nip and tuck of your own down the middle – the end result will be worth the initial pain!

For further advice on debt and money issues contact:

Citizens Advice Bureau	local offices throughout Tynedale
National Debtline	0808 808 4000
Consumer Credit Counselling service	0800 138 1111
Northumberland Credit Union	01670 503666

There are more links on our website: www.prudhoemedicalgroup.com

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