

MANAGING YOUR CREDIT

Make sure you can pay



Paying in cash for goods is one way of avoiding debt. But very few people can afford to pay cash for everything they need. Many of us will have to save money for a long time, maybe even for the rest of our lives, to buy a car or furniture.

Lay-bye is another way of getting things you need or want. But this can take time before you get your goods, because you first have to make all the payments.

■ People buy too much

Credit is a way to get what you want immediately before the prices go up. But sometimes people buy too much on credit and find that they cannot pay the monthly installments. They may also be unable to pay when they get sick or lose their jobs.

Before getting too excited about

buying on credit, make sure you have enough money at the end of the month to pay the installment. It is important to add up all your monthly costs like rent, electricity, food, transport and telephone accounts.

■ Making payments

When you buy a big thing like a car, remember that you don't only have to pay the monthly installment, but also petrol, insurance, running costs, and other things to keep it in a good condition.

One of the best ways to make payments regularly is to arrange for a debit order on your bank account. This way the payments you have to make are made by the bank, automatically from your bank account, on the same day every month. It means you don't have to worry about forgetting to pay. But make sure

you check your bank statement each month to see if there were any mistakes. You are responsible for this – not the bank.

■ If things go wrong

Don't despair if you miss a payment due to losing your job or a child getting sick. You can talk to the credit-giver about payment arrangements. Depending on your payment history, they will try to help you by, for example, giving you a chance to make smaller payments over a longer period of time.

If you can't pay at all, you can ask them to take back the item you bought – this may not always be possible if it is clothing, or if the goods are damaged.

– *Ndlovhuwo Khangale*

**For more information,
contact the ombudsman:
086 166 2837**