



# Spring-clean your finances!

**W**ith winter fading fast and spring in sight, you may be thinking of giving your home a spring clean. As well as getting your house in order, why not take the opportunity to freshen up your finances too, with these handy hints from the Financial Ombudsman Service:

- Check your calendar: Keep a note of the dates when your regular payments and any debits from your bank account are due, so you know the money's available when you need it. Some consumers have told the ombudsman that due to income payments being delayed they have been charged by their banks for going overdrawn. If you find that you don't have enough funds to pay for upcoming debits, let your bank know as soon as you can.
- Cut out the clutter: You wouldn't pay twice to buy the same item in a shop, so make sure you're not doing that with your finances. When you buy a product like a mobile phone, TV set or vacuum cleaner, you're often offered an insurance policy or warranty with it. But you could end up paying for cover that you've already got as part of your home and contents policy. Check your policy or speak to your insurer to see what you're covered for – and cancel (or don't buy) anything you don't need.
- Cost-effective credit: If you're planning home improvements – or you're making a significant purchase, like a new item of furniture – you may be thinking of using an interest-free credit deal. These allow you to spread the cost of your purchase over an extended period – sometimes for several years – without paying interest. If you sign up, make sure you pay off what you owe before the interest-free period ends. Once the interest kicks in, the repayments could become very expensive.
- Take interest: Interest rates for savers are low right now but it's still worth shopping around to find the best rate you can get. Look online to compare offers – but before signing up, do check any restrictions. If you're able to give a few months' notice before you withdraw any of your money, you may get a much better rate than if you need instant access to your savings.
- Dormant debits: Ask your bank for a list of your direct debits and standing orders. You may be making payments for things you no longer need. If you decide to cancel, make sure you tell the business involved first. And if you're catalogue shopping, bear in mind that some companies expect you to make a payment every 28 days. This means the day of the month when your payment is due will change each month, so keep an eye on your statements!
- Spread the risk: If you're considering investing your money, take time to think about how much risk you're willing to take. In some circumstances you may also want to get financial advice. There are a wide range of investment plans – and the more risk you're willing to take, the more potential return you could make. But investment returns aren't guaranteed so don't take a chance if you can't afford to risk your capital.

We hope that dusting off your finances helps money-matters go smoothly in 2012. But if something goes wrong, speak to the financial business involved – they should be able to sort things out. If you still aren't happy, the financial ombudsman might be able to help.

You can contact the ombudsman service on 0300 123 9 123 or <http://www.financial-ombudsman.org.uk>