Money Skills For Life

CCPC

Coimisiún um
Iomaíocht agus
Cosaint Tomhaltóirí

Competition and
Consumer Protection
Commission

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Introduction

This Money skills for life handbook from the Competition and Consumer Protection Commission (CCPC) gives you independent information to help you ask the right questions and make informed decisions about your money.

Managing your money and financial products - such as your bank account, mortgage and insurance - can be confusing. It's important that when you need to make decisions and choose financial products or services you understand what you are buying, how much it will cost you and whether it best suits your needs. It's also important that you're in control of your day-to-day finances.

The CCPC is here to help! We are an independent statutory body that enforces competition and consumer protection law in Ireland. Another part of our role is to provide personal finance information and education to consumers. Our information is free, impartial and in plain English. We don't recommend any particular product, service or provider and we don't take the place of a financial advisor. But we do give you some guidance to get you started and to help you stay in control of your money.

Throughout the guide you'll see words highlighted in **bold and underlined**. This means the word or phrase is explained in the jargon buster on page 157. We have more information on every topic in this handbook on our website www.ccpc.ie – including comparisons so you can compare current accounts, mortgages, loans and more. Our website also has other tools to help you manage your money, such as calculators, budget planners and checklists.

Sorting out your money

Sorting out your money

Managing your money better benefits you in many ways. Being in control of your spending, having enough money to save, avoiding debt problems, protecting yourself and your belongings, and planning for future goals and emergencies are all benefits of managing your money. The best way to start is to work out what money you have coming in and going out. Use our five step plan to help:

Five-step plan to control your finances

1. Work out what you spend day-to-day and where it goes by keeping a spending diary.
2. Work out what money you have coming in and going out by completing an income and expense check.
3. Identify your personal goals and how your finances affect them.
4. Prepare a 12-month budget plan.
5. Keep your finances under review.

1. Work out what you spend

Try keeping a spending diary for four weeks. It is a good idea to track your spending habits before you complete an income and expense check and revise your budget, so you know what you are really spending. Keeping receipts for each purchase you make and entering them in a weekly spending diary such as the one on pages 22-23 can really help.

Tip!
For tips on how to reduce your spending go to our website **www.ccpc.ie**

2. Work out what money you have coming in and going out

Taking stock of where you are will help you know how much money you have to work with and what allowances you need to make. Now that you know roughly what you are spending (from your spending diary), you need to list all your sources of income.

Use the 'Income and expenses check' on pages 24-27 to help you.

Don't forget to input your total yearly income in the **'Your financial position'** box on page 27.

3. Identify your personal goals

Now you know more about your income and expenditure make a list of what you'd like to achieve, when you want to do it by, and how you will use money to achieve it. Make a list of these money goals – some examples are listed on the next page. Once you know what you need money for in the future, you can develop a plan to help you focus on achieving those goals. We've included a sample of how you can do this on page 29.

Did you know?
If you are in employment, you need your **P60** if you have to claim a social welfare benefit.

Sample goal	Term	Options to help you reach your goal*
Pay off your debts. Save for a car or a holiday. Build an emergency fund.	Short-term 0-3 years	Get better value on all of your spending. Cut back if you need to – see page 12. Pay off high interest loans – see page 12. Start a regular savings or investment plan – see page 43.
Save for a deposit to buy a home. Save for home renovations. Save for your children's education. Save to trade up to a bigger home.	Medium-term 3-10 years	
Pay into a pension to save for retirement income. Pay off your mortgage early. Long-term financial security.	Long-term 10 years+	

* This will vary depending on your current income, savings and spending. However, if you work out how much your goal will cost and break it down by weeks/months/years, it will give you an idea of how affordable it is for you.

Tip!

A key money saving goal (if you haven't got one already) is to build an emergency fund. This money should be readily available if you need it for some unforeseen circumstance, such as large medical bills, or if you or your partner suffer a drop in income. Aim to build up three months' salary, if you can. Keep your money in a savings account, so you won't be tempted to spend it, but still can access it when you need it. Our online regular savings account cost comparison on **www.ccpc.ie** will give you some current rates.

4. Prepare a 12-month budget plan

Now you know where your finances are at, you can plan ahead. Use the budget planner on www.ccpc.ie to work out a practical budget. In some months you will have more expenses then others, such as birthdays or Christmas
or when your motor tax or insurance payments are due. Plan your budget around your household, involving your partner or family, as you need to. This may even encourage your children to develop good money habits.

At the end of each month, review how you did. Some months you may do better than others. But managing it this way will help you keep track of things more easily. If you overspend some months, you will need to revise your budget, by spending less or earning more.

Tip!

If you have money left over, consider:

- moving the money into your savings account; or
- paying extra off one of your debts;

If you have overspent, consider:

- what changes you can make next month to make sure you don't overspend; and
- how you are going to pay off the money you borrowed to cover the overspend – make sure you include any payments to clear this debt in your budget next month.

Tip!
If you don't keep to your budget, don't be discouraged. Start again. You may need to change your budget a few times before you get it right. If you find it difficult to manage your money, consider a budget account offered by some banks and credit unions. You can spread the cost of your bills out over the year by making a set monthly payment.

5. Keep things under review

Regardless of your circumstances, you should review your financial situation at least once a year or when your circumstances change (such as a drop in income or having children).

Money saving tips to help you

Action	Checklist
Check you are getting all of your tax reliefs, tax refunds (medical expenses, refuse collection charges, etc.) at www.revenue.ie	
Check you are getting your social welfare entitlements (if unemployed, disabled, widowed, etc.) at www.welfare.ie	
Pay off debts with the highest interest rates first (if you have spare money), this will save you more in the long run.	
Switch to a credit card with a low or 0% rate so you will pay less interest while you are paying off what you owe. Use our online credit card cost comparison on www.ccpc.ie to find one. Try to pay off your debt before the end of the interest free or low interest period. Or consider taking out a personal loan to pay off your credit card debt and don't use your card until the debt has been cleared.	
Practice leaving your credit card(s) at home to resist the temptation to spend more than you can afford. Consider delaying a purchase if you can wait to afford it by saving.	
Cancel unwanted subscriptions (gym, TV, etc.).	
Check you are not duplicating insurance policies (for example, some elements of your health insurance may cover some of your travel insurance).	
Check that you are using the cheapest method of payment. Some utility companies will give you discounts if you pay by direct debit.	

Action	Checklist
Save on your utility and phone bills by logging on to www.ccpc.ie, www.seai.ie and www.comreg.ie/compare	
Use our online cost comparisons on www.ccpc.ie/ and use the checklists in this guide to help you make savings on your banking and insurance products.	
Consider downsizing your car. Certain models have cheaper running, tax and insurance costs, so check before you buy.	
Plan carefully before your weekly shop. Write a list before you go food shopping and check the prices of the same products in different supermarkets.	
If there is something you need, check online regularly for discounts which may offer a better deal.	
Consider signing up for free reward programmes in shops, but always choose value rather than 'points'.	
Don't buy things under pressure. If you think a better deal may be available elsewhere, check it out. Use all the resources at your disposal to investigate the options available to you.	
Cut back on 'non-essential' items listed on your budget planner if you need to free up some extra cash or are spending more than you can afford.	
Protect yourself from scams and fraud. You can get more information on www.ccpc.ie	
Supplement your income temporarily by considering the Rent a Room Relief, detailed on www.revenue.ie	

Getting a personal current account that works for you

Managing your money can be easier when you have a bank account as it helps you to keep track of your income and spending.

Make sure you are getting the best deal by logging on to www.ccpc.ie to compare accounts. If you would prefer to compare accounts offline use the current account shopping around checklist on page 37 to help you.

Tip!
If you are opening an account or want to compare an account you already have, identify the services you are likely to use most (such as direct debits, online banking or contactless payments) and then see which provider offers the best value and service by comparing the charges and features of accounts.

Some of the main areas we suggest you examine are outlined below.

- **Special offers (free banking or offers for students/over 60's)** – with some providers you will need to meet certain conditions to qualify, such as making a minimum number of transactions or purchases (within limits), having a minimum balance in your account or using phone or online facilities regularly within a certain time.

Tip!
If you are happy with your banking service but unhappy with the fees that you are being charged, ask your bank if they offer free banking or if they can lower your fees.

- **Penalty charges** – you'll have to pay charges if you don't keep enough money in your account for payments such as **direct debits**, **standing orders**, and cheques. To avoid these charges – check your balance and your overdraft limit regularly so you don't take out more than you are allowed.
- **Interest rates** – rates you can earn on current account balances are usually low or 0%. However, the higher the rate, the greater the **return** for you. You will have to pay interest on any loan facilities on your account, such as an overdraft. The lower the rate on your overdraft, the better.

Tip!
If you want to switch your personal current account, the Central Bank of Ireland has imposed a legally binding Switching Code on banks to make it faster and easier for you. Get more information on page 40.

When opening an account

Before you open an account, contact your provider to make sure you have the documentation you need, which would include:

- proof of your name and date of birth;
- proof of your address.

If you open an account that pays interest on your money, you also need to supply your personal public service (PPS) number as identification. If you do not have a PPS number, you can contact your local social welfare office to get one, or a bank may accept a copy of your birth certificate instead.

Check our website at www.ccpc.ie for more information on the documentation you need to open an account.

Note
Before you open a joint account, a bank must check whether you would like any specific limitations on your account such as who can access it and whether you would like joint statements. They must also explain any other consequences of having a joint account.

Protecting your money from scams and fraud

There are several actions you can take to prevent and deal with fraud and scams. You can get further information on www.ccpc.ie

When you get a new card (credit card or debit card)

- Sign your cards as soon as you receive them and cut up your old cards into small pieces when they have expired.
- Keep your cards in a safe place.
- Memorise your PIN when you get it and destroy the slip.
- Change your PIN (at your ATM or branch) to one you can remember more easily if you have difficulty memorising it. Avoid using easily guessed PINs such as birth dates.
- Put the number for your bank or credit card company's lost and stolen card line into your phone.

When you are buying goods and services

- Never let your card out of your sight because cards can be copied in just a few seconds. If the card terminal is not in front of you ask to go with the staff member to the terminal to complete the transaction.
- Always cover the keypad with your hand while entering your PIN at ATMs and in shops.
- Never accept a cheque or draft from anyone you don't know or trust, especially if they offer to send you a cheque of higher value than the goods you are selling and want you to send back the balance in money.
- If you are buying or selling online use reputable traders and before you buy, check what protections you have if you use an online payment account or your credit card.
- Contactless payments, which can be made up to €30, can be handy, but be careful about how you use them. Tapping for smaller amounts can be convenient, but could also mean paying less attention to how you use your card. If you're in a shop, bar or restaurant always make sure you tap the card yourself or get staff to show you the terminal as they tap your card so you can see the amount is correct.

Tip!
If a deal sounds too good to be true it probably is! Stay informed on the most up-to-date scams by logging onto **www.ccpc.ie**

When you are using an ATM

- Cancel the transaction if the ATM does not appear to be working or looks like it has been tampered with.
- Choose another machine to use if there is anyone acting suspiciously.
- Don't accept help from a 'friendly' passer-by, if an ATM swallows your card and you haven't entered your PIN incorrectly three times. They may have tampered with the ATM or may try to get your PIN. Contact the Gardaí immediately if you are in doubt.
- Discreetly put your cards and cash away before you leave, once your transaction is completed.
- Use ATMs that are well lit and in clear view.

When you check your transactions

- Contact your bank or credit card company straight away if you notice a transaction on your statement or when checking your accounts online. Give them details of the transaction such as the date and reference and request that they follow it up immediately.

Tip!

If you paid by credit card and the firm you have dealt with has gone bust, failed to deliver your goods, provided faulty goods or a transaction was not authorised by you, your provider may agree to reverse the transaction under a 'chargeback' facility. Check with your provider. But always contact the firm first to seek a refund. There may be time limits for **chargebacks** so don't delay. This facility also applies to certain debit cards. Check with your provider to see if this applies to your debit card.

If you are contacted by someone claiming to be your card provider

- Never give your personal details even if they claim to be your provider. This could be a hoax phone call or a scam called ‘phishing’, where someone pretending to be your provider will get your personal finance details through an email and try to steal your money.
- Contact your service provider (on the number you would usually use) to check or report the incident.

Tip!
Shred any records or papers that have your personal finance details on them. Do not recycle such material – destroy it instead.

When you are travelling

- You may be liable for any money you put on to your card if your credit card is stolen, so check with your credit card company before you travel.
- Make a note of the 24 hour emergency number, before you go.
- Advise your bank you are travelling abroad. If they see foreign transactions they might have to contact you to make sure it is you making the transaction!

Tip!
If you have been burgled or think that someone has got hold of personal information, check to see if your personal information has been used to try to take out a loan in your name. You can do this by getting a copy of your credit report, see page 172 for more information.

If you have been scammed

If your card is lost or stolen, report it to your card provider immediately. Don't wait to report the issue, as you could be held liable for any transactions made by a scammer made before you make the report.

If you think you have been the victim of fraud, contact your local Garda station.

Your checklist

- Work out what you spend by keeping a spending diary.
- Work out what money you have coming in.
- Identify your personal and financial goals.
- Prepare a 12-month budget plan.
- Keep things under review.
- Check to make sure you are getting the best account(s) options.

Useful tools

Spending diary

- Use this spending diary to record how and where you spend money.
- It lets you see where you might be able to cut back on non-essential spending to free up money for things you really need or want in the future.
- Carry a copy with you so that every time you spend, you record it.
- At the end of each week or month, look back over your diary and see where you are spending your money.
- Total how much you are spending on each expense, for example, on lunches.
- Use this figure along with expenditure recorded on your bank statement or online banking in income and expense check to complete the diary.
- After you have done your budget, remember to do a spending diary a couple of times each year so that you can check how you are doing.

Spending Diary

Monday	
Item	Amount €
Total:	

Tuesday	
Item	Amount €
Total:	

Wednesday	
Item	Amount €
Total:	

Thursday	
Item	Amount €
Total:	

Friday	
Item	Amount €
Total:	

Saturday/Sunday	
Item	Amount €
Total:	
Total weekly spend (add totals):	€

Income and expenses check

The income and expenses check will show you what you actually take in and actually spend in a month. You can then use the budget planner on www.ccpc.ie to track your planned/ estimated and actual expenditure in a year.

Monthly or weekly?

Decide whether it is easier for you to fill in the income and expenses check per week or per month.

Tip!

- If you get paid weekly, multiply your wages by 52 and divide by 12 to get your monthly income.
- To convert monthly income or bills to weekly amounts, multiply by 12 and divide by 52.
- Make sure you are claiming all that you are entitled to. Depending on your income, circumstances and mortgage, you may be eligible for mortgage interest tax relief, other occupation related tax relief and more.

Income and expenses check

Income	Amount
Wages/salary: you and your partner	
Social welfare payments	
Child benefit	
Other income	
Total income	
Loans and debts	
Mortgage repayments	
Hire purchase agreements, for example, car, furniture or **PCP agreements** for a car	
Personal/credit union loans	
Credit card payments	
Other	
Total loans and debts	
Savings	
Savings account	
Money set aside for emergencies	
Pension contributions (not taken from wages)	
Other savings and investments	
Total savings	
Expenses	
Property	
House/garden maintenance	
Waste collection charges	
Property tax	

Property management fees (if any)	
Rent	
Gas	
Electricity	
TV licence	
Phone/broadband/TV packages	
Mobile phone	
Medical	
Doctor	
Dentist	
Insurance	
Home insurance	
Car insurance	
Health insurance	
Travel insurance	
Any other type of insurance e.g. pet or gadget	
Transport	
Car tax	
Petrol	
Maintenance	
NCT	
Road tolls	
Parking	

Living	
Food and groceries	
Childcare	
Footwear	
Clothes	
Entertainment (cinema, takeaways, concerts, etc.)	
Hairdressers/barbers	
Eating out	
Alcohol	
Cigarettes	
Gym/club membership	
Holidays	
Pets (including food and care)	
Music and books	
Hobbies	
Occasions (birthdays, Christmas, weddings)	
Other	
Total expenses	

Your financial position	
Total income (from page 25)	
Minus total spending (expenses + loans and debts + regular savings)	
What you have left or overspent at the end of the month	

Goals Worksheet

Even if you are living within your means, it's a good idea to plan ahead for things you may need or want in the future. By identifying your goals and building them into your budget, you have a much better chance of achieving what you want in the future.

- Keep each goal simple and specific.
- Set a date that you plan to reach your goal by.
- Decide how much money you will need to have to reach your goal.

Tip!

If you have built up an emergency fund, it is there to help you when you need it.

Goals Worksheet

Goal 1 [example]

Date: February 2020

My goal is to: Save 3 months' salary into an emergency fund. Monthly salary is €2,000 (take home pay).

By: June 2020

It will cost: €6,000 or €50 per week.

My action – to reach my goal I will:

1. Look at my budget and see what extra money I have or where I can make some cutbacks to free up extra cash.
2. Open a separate emergency fund account (such as a deposit account). See page 52 for information on deposit and savings accounts.
3. Set up a **standing order** to transfer money from the account where my wages are paid in to my emergency fund account, immediately after my wages are paid. This will help me to save the same amount regularly.
4. Review my budget every six months to see if I can save more into my emergency fund and reach my goal quicker.
5. Before I withdraw any money from my emergency fund, I will check if there is any other way that I can pay for an emergency expense. For example, I'll check if my private health insurance could cover medical bills; or if a guarantee or warranty could cover a problem with my car, kitchen appliance, computer, etc.
6. If I dip into my emergency fund I will start to save again to bring the balance back up.

Goal 2

Date:

My goal is to:

By:

It will cost:

My action – to reach my goal I will:

Goal 3

Date:

My goal is to:

By:

It will cost:

My action – to reach my goal I will:

12-month budget planner

Use the 12-month budget planner on pages 33-35, or the budget planner on www.ccpc.ie to help you plan your spending during the year. Certain expenses, e.g. a TV licence, happen once a year, while others, such as rent or mortgage payments are due every month. There are other expenses you will need to work out, e.g. if you buy lunch five times a week at €5.50 a day, this could add up to €27.50 a week, €110 a month and €1,430 a year.

1. Enter your expenses and the amounts under the 'planned' column for each month that you know you must pay them. This will help you see what your 'planned' expenses are for each month.
2. At the end of each month, fill in what you actually spent in the 'actual' column. You will be able to see if you stuck to your budgeted amount or if there are areas that you need to cut back on. If you find that you have overspent in one or more areas, don't worry. You may just need to re-work your budget for that expense. There are also some great money saving tips that could help you on page 12 and on www.ccpc.ie

12-month budget planner

Weekly or monthly		
	Planned €	Actual €
Loans and debts		
Mortgage repayments		
Hire purchase or PCP finance agreements		
Personal/credit union loans		
Credit card payments		
Other		
Total loans and debts		
Savings		
Savings account		
Money set aside for emergencies		
Pension contributions (not taken from wages)		
Other savings and investments		
Total savings		
Expenses		
Property		
House/garden maintenance		
Waste collection charges		
Property tax		
Property management fees (if any)		
Rent		
Gas		
Electricity		
TV licence		

Phone/broadband/TV packages		
Mobile phone		
	Planned €	Actual €
Medical		
Doctor		
Dentist		
Insurance		
Home insurance		
Car insurance		
Health insurance		
Travel insurance		
Any other type of insurance e.g. pet or gadget		
Transport		
Car tax		
Petrol		
Maintenance		
NCT		
Road tolls		
Parking		

	Planned €	Actual €
Living		
Food and groceries		
Childcare		
Footwear		
Clothes		
Entertainment		
Hairdressers/barbers		
Eating out		
Alcohol		
Cigarettes		
Gym/club membership		
Holidays		
Pets (including food and care)		
Hobbies		
Special occasions		
Other		
Total expenses		
Total budgeted spending (loans + debts + savings + expenses)		

Current accounts – shopping around checklist

Quick tips

- Find the current account that suits you.
- Check all of the terms and conditions.
- Use our personal current account cost comparison on **www.ccpc.ie** to help you.
- Ask about any fees charged by the bank.
- Don’t sign anything unless you have read and understood it.
- To find out more about current accounts visit our website **www.ccpc.ie**

Current accounts – shopping around checklist

	1	2	3	4	5
Name of provider					
Contact number					
Transaction fee free banking					
How do I avail of transaction fee free banking?					
Overdraft					
How much interest will I pay?	............% **APR**	............% APR	............% APR	............% APR	............% APR
How much will I pay if I am over the agreed limit?	............% APR	............% APR	............% APR	............% APR	............% APR
Cheques					
What is the fee for a cheque?	€........... per cheque	€........... per cheque	€........... per cheque	€.......... per cheque	€........... per cheque
	€........... per unpaid cheque	€........... per unpaid cheque	€........... per unpaid cheque	€........... per unpaid cheque	€........... per unpaid cheque

ATM card, debit card or combined ATM and debit card					
What are the fees for using these cards?*	€........... per transaction	€........... per transaction	€........... per transaction	€........... per transaction	€........... per transaction
Standing orders (S/O)					
What is the fee?	€........... set up fee	€........... set up fee	€........... set up fee	€........... set up fee	€........... set up fee
	€........... per S/O	€........... per S/O	€........... per S/O	€........... per S/O	€........... per S/O
	€........... per unpaid S/O	€........... per unpaid S/O	€........... per unpaid S/O	€........... per unpaid S/O	€........... per unpaid S/O
Direct debits (D/D)					
What is the fee?	€........... set up fee	€........... set up fee	€........... set up fee	€........... set up fee	€........... set up fee
	€........... per D/D	€........... per D/D	€........... per D/D	€........... per D/D	€........... per D/D
	€........... per unpaid D/D	€........... per unpaid D/D	€........... per unpaid D/D	€........... per unpaid D/D	€........... per unpaid D/D
Credit transfers					
What is the fee?	€........... per transaction	€........... per transaction	€........... per transaction	€........... per transaction	€........... per transaction

Credit interest on my account balance					
How much interest will I be paid?	............% (AER, CAR)	............% (AER, CAR)	............% (AER, CAR)	............% (AER, CAR)	............% (AER, CAR)
24 hour banking (telephone and internet banking)					
Is there a charge for this?	€...........	€...........	€...........	€...........	€...........
Contactless transactions					
Is there a charge for this?	€........... per transaction	€........... per transaction	€........... per transaction	€........... per transaction	€........... per transaction
Other services					
What else do I need from my account? E.g. do I need Apple/ Android Pay?	1 .... 2 .... 3				
How much will it cost?	1 .... 2 .... 3	1 .... 2 .... 3	1 .... 2 .... 3	1 .... 2 .... 3	1 .... 2 .... 3 ....

* Don’t forget about stamp duty on ATM and debit cards.

How to switch your bank account

This is a step-by-step guide to switching your bank account.

The Central Bank of Ireland's statutory switching code outlines the process for switching an account and the responsibilities for your old bank and your new bank. Further information is available on www.ccpc.ie

1. Find the current account you want to switch to.
   Use our personal current account cost comparison on www.ccpc.ie to help you.

2. Go to the new bank, and request a switching pack. You can then apply for a new account.

3. Advise your new bank that you want to close the account in your old bank and give the new bank a date that you want the switch to happen on. You will be asked to complete an Account Transfer Form. If you want you can leave your old bank account open but remember you will have to pay Government stamp duty on any ATM or debit cards.

4. The new bank will send the completed Account Transfer Form to your old bank.

5. If you wish to have your salary or wages paid into your new account, don't forget to send your new bank account details to your Payroll or HR Department so that your salary will be paid to the right account.

6. If you decide to close your old account, the old bank will:
    a. send a list of your direct debits and standing orders to the new bank and send a copy to you (check that the list is correct). The new bank will then arrange to set these up on your new account;
    b. advise your **direct debit** originators (for example, utility company, insurance company, mortgage provider, etc.) of your new bank account details;
    c. with effect from the switching date, cancel any standing orders and bounce any direct debits back to the originators unpaid;
    d. refund Government stamp duty to you on any unused cheques you return to them;
    e. add any unapplied charges or debit interest due to your account. (This will reduce your balance);
    f. add any unapplied credit interest to your account. (This will increase your balance);
    g. send the balance on your old account to your new account;
    h. send a closing statement to you.

Tip!
Your new bank must have completed the switching process within 10 working days.

Saving and Investing

Saving and investing

Most people have a mix of short, medium and long-term money goals. If your budget and plans allow and you can put money aside, it may make sense to spread your cash and put some money in savings accounts, where you can access it immediately to meet short-term needs, and some in longer-term investments, where it can potentially earn more over time.

Things to do before you start saving

Work out how much you can afford to set aside and for how long. You will know this once you have completed the five-step plan in the 'Sorting out your money' chapter of this guide.

Try to pay off (some or all of) your loans or credit cards first – often this will give you a better **return** than other forms of savings as well as help you clear your debts quicker. Use our loan calculator on www.ccpc.ie to see how much interest you could save if you reduce the amount you owe. Then compare it to how much you would earn in interest if you saved your money instead.

Tip!
It pays to repay any amounts you have outstanding on your credit card. If you have a credit card balance of €1000 (with an APR of 19%) and if you were to only pay €30 each month, it would take you 4 years to clear the balance and cost you about €440 in interest! If you have debts other than a credit card, see our section on 'Dealing with debt' on page 115.

Draw up a savings plan – list your savings goals, think about your attitude to risk (see pages 52-54 for more information) and then decide what product suits you best.

Compare savings and deposit accounts by checking the **compound annual rate (CAR)** or **annual equivalent rate (AER)**. The greater the AER or CAR, the more interest you will earn. But make sure you compare like with like, using AER or CAR.

Tip!
Use our online lump sum deposit and regular savings account cost comparisons on **www.ccpc.ie** to compare current rates. Some online and telephone-based accounts pay higher interest. Our savings and deposit accounts useful information on pages 52-54 will help you compare your options offline.

Savings and investment options in brief

Tip!
For information on how your savings and investments are protected, log on to **www.ccpc.ie**

You can get more information on the products below on www.ccpc.ie

Savings and investment options	
Savings and deposit accounts. Read more information on pages 52-54.	
Description	Interest on your account grows depending on the amount you save and the access to your money.
Risk and guarantees	Low risk – little **capital risk**, but you may suffer from **inflation risk** if your money is held in a low risk account for a long time.
Fees and charges	Usually none
Tax on growth	On some accounts you may not have to pay **Deposit Interest Retention Tax (DIRT)**, so check first. Most financial institutions take DIRT from the interest in your account and pay directly to the Revenue Commissioners. Check their site www.revenue.ie for up-to-date rates and exemptions.
State savings schemes www.statesavings.ie	

Description	Includes deposit accounts, guaranteed **bonds**, instalment savings, prize bonds, savings bonds and certificates.
Risk and guarantees	As above. Check that the overall **return** is more beneficial compared to shorter term options, especially as you may not have access to your money.
Fees and charges	Usually none.
Tax on growth	On some accounts you may not have to pay **DIRT**, check first.
Tracker bonds	
Description	Fixed-term investments where the bulk of your money is put on deposit and the remainder is invested to give you a return based on the performance of stock market indices (or a basket of shares).
Risk and guarantees	Low to medium risk – many offer 100% capital security but you may suffer from **inflation risk**. The returns are potentially higher (yet riskier) where there is not a 100% capital guarantee.
Fees and charges	Built into the product.
Tax on growth	You will be charged an exit tax on any growth on all or part of your investment or on certain anniversary dates. This is a Government tax, deducted by the investment or life insurance company, charged on any growth in your investment when you withdraw all or part of it, or on certain anniversary dates. If your investment has not grown in value, no tax is charged. For rates go to www.revenue.ie
Unit-linked funds (type of pooled investment)	

Description	Your money is combined with other investors to buy units in a fund.
Risk and guarantees	Higher **capital risk** compared to other investments. Most unit-linked funds offer no, or very limited, capital guarantees. You can choose from a range of funds to suit your level of risk. The value of investments can go up and down.
Fees and charges	Charges grow with investment size and can include **commission**, early encashment charges, yearly fund management fee, monthly policy fees, bid/offer spread (the difference between buying and selling units) and allocation rate (percentage of investments used to buy units).
Tax on growth	You will generally be charged an exit tax on this type of investments.
Exchange traded funds (type of pooled investment)	
Description	Funds that track the shares of a particular index.
Risk and guarantees	High risk – but easier to buy and sell than tracker bonds or unit-linked funds. The value of investments can go up and down.
Fees and charges	Typically lower than for a unit-linked plan. You pay a management fee included in the price.
Tax on growth	You will be charged Capital Gains Tax if you make a profit over a certain threshold, check www.revenue.ie for the most up-to-date rates.

Shares	
Description	You buy a part ownership in a company.
Risk and guarantees	High risk – values can move up and down depending on the performance of the company and the industry category it falls in to. There are no capital guarantees.
Fees and charges	Stockbroker fees (depending on level of service you get – advice only or if they make investments for you). Stockbroker commissions to buy and sell shares – usually around 1.5% – 2%.
Tax on growth	You will be charged Capital Gains Tax if you make a profit over a certain threshold, check www.revenue.ie for the most up-to-date rates.
Digital/crypto-currencies	
Description	A **digital or crypto-currency** is a currency held and traded online and is not a physical currency. There are no notes or coins. It exists only in electronic form on computers. Bitcoin is one of the most widely-known and used crypto-currencies.
Risk and guarantees	Crypto-currencies are not centralised currencies, which means no one person or institution controls them. This means they aren't regulated and don't have any of the protections that regulated currencies and investments have. The value of digital and crypto-currencies is very changeable and has increased and decreased very sharply at times. There is also a risk of scams when it comes to crypto-currencies. Scams associated with crypto-currencies could involve significant restrictions around cashing out of the currency, lack of access to the currency you have bought, incentives for people to invest more money and incentives for people to recruit friends and family.

Fees and charges	Most crypto-currencies have transaction charges which vary for transferring and buying the currency. These are often charged through crypto-currency exchanges, businesses that allow customers to trade cryptocurrencies or digital currencies for other assets – like traditional money or other digital currencies. You may also be charged network fees and fees for storing your crypto-currency in a digital wallet.
Tax on growth	Gains you make from a crypto-currencies must be declared to Revenue for Capital Gains Tax. Revenue will require a lot of detail including description of asset, sales proceeds and cost of acquisition.

Note

Be careful about the risks involved with crypto-currencies. They are unregulated and do not have the protections of standard currencies. There is also a risk of scams when it comes to crypto-currencies. Beware of any crypto-currency that involves restrictions on cashing out of the currency, lack of access to the currency you have bought, incentives for you to invest more money and incentives for you to recruit friends and family.

The value of different crypto-currencies is very unstable and has increased and decreased very sharply at times. You should take this into account if you're thinking about investing in some.

Comparing investments

Compare investments by looking at the criteria below.

- **Investment amount** – can you afford to tie up the amount of money in question? If you want to invest more at a later date, can you top up your investment without having to take out a new product and pay full charges again? Is there a minimum amount you have to invest?
- **Guarantees** – check who is providing the guarantee and seek information about the strength of their financial position.
- **Minimum term (length of time)** – check what the minimum and recommended terms are for your money.
- **Access** – can you get at your money easily? Are there penalties if you withdraw your cash early? It is important to know how this will impact on your investment.
- **Fees and charges** – what do you have to pay? Do these reduce the value of your investment? Funds that charge more do not always provide better returns.
- **Risks and potential returns** – balancing risk and reward is important. If the investment you are considering offers some form of capital guarantee, check out what it costs and what impact it could have on the **return** you get.

Note

Risk and return go hand in hand. So as a general rule, the lower the risk, the lower the rate of return you should expect. With longer term and higher risk products, you can expect higher potential returns but these are not guaranteed and you could lose some or all of your money. You need to consider carefully the effect of this on your financial situation.

How to open savings accounts or buy investments

You can open savings, deposit accounts and state savings schemes with banks, building societies, credit unions or with State Savings directly.

You can get information about investment products from many banks, life insurance companies and investment firms. Financial advisors also advise on and sell these products on behalf of the main providers. If you are thinking of using an advisor, read our tips on 'meeting your **financial advisor**' on page 55.

There are several ways you can invest in the stock market. You can use a stock brokering service or you can open an online account, which may be a cheaper alternative because they are just facilitating the transaction, rather than advising you.

Tip!
For more information on savings and investments and on getting financial advice log onto **www.ccpc.ie**

Your checklist

- Consider paying off any loans first if you have spare money.
- Remember to build an emergency fund.
- Shop around and consider getting advice – choose products based on needs/money goals.
- Review your savings and investments regularly to make sure you get the best from them.
- Remember to check out the risks and returns of any savings and investments you consider.

Useful tools

Deposit and savings accounts

Whether you are saving for a specific goal or just for a rainy day, it is a good idea to save some money on a regular basis. You can choose from a wide range of accounts, depending on how much you want to save and what access you want to your money.

To find out more about savings and deposit accounts visit our website www.ccpc.ie

Type of account	Return on your money	Access to money	Do you need a minimum amount to open an account?	Is DIRT payable?
Products from banks, building societies or credit unions				
Demand/instant access	Variable interest	Anytime	No	Yes
Notice	Variable interest	Must give notice to withdraw money	No	Yes
Fixed term	Fixed interest	Must leave money in account until end of term	No	Yes

Type of account	Return on your money	Access to money	Do you need a minimum amount to open an account?	Is DIRT payable?
Guaranteed bond	Fixed interest	Must leave money in account until end of term	Yes	Yes
Credit union share account	Annual dividend paid	Anytime	No	Yes
State savings products **www.statesavings.ie**				
Deposit accounts	Variable interest	Anytime*	No	Yes
Prize bonds	Weekly and monthly prize draws	Anytime after first 3 months and then subject to 7 days notice	Yes	No
Savings certificates	Fixed interest	Must leave money in account until end of term	Yes	No

Type of account	Return on your money	Access to money	Do you need a minimum amount to open an account?	Is DIRT payable?
Savings **bonds**	Fixed interest	Must leave money in account until end of term	Yes	No
National Solidarity Bonds	Fixed interest + bonuses	Anytime but you will lose bonuses	Yes	No

*Amounts exceeding the daily limit are available at anytime subject to seven days notice.

Meeting your financial advisor

Information if you are thinking of getting financial advice.

- **Think about your needs.** Do you need overall advice on financial planning or more specific advice about a particular decision or product?
- **Get a list of regulated financial advisors** from the Central Bank of Ireland, see their website for contact details www.centralbank.ie
- **Talk to two or three advisors** over the phone or in person before choosing one. Ask about their business and professional background.
- **Find out how many financial services firms they deal with** for the type of product you may need. Ask about their services and what type of advice they can give you.
- **Ask how your advisor gets paid** – is it by fees, **commission** or a mixture of both? How does any commission they charge affect the value of your investment either initially or ongoing? Would they be willing to negotiate fees and commission? Is there a charge for an initial exploratory meeting?

Note

Advisors or brokers can usually only sell products to you where they have an appointment from the product provider (bank or insurance/investment company). Some brokers have a large number of appointments and some have very few. Others may be tied to one provider. Some products are not offered through advisors, so they may not be able to make recommendations on these.

Before any meeting with your financial advisor

- It is important to prepare for your meeting so ask the advisor what information or documentation you should gather together or study before you talk with them in more detail.
- Be clear about what you want. Is it general advice on financial planning, or advice about one specific issue such as an investment, a mortgage or starting a pension?
- Do some research and find out about different products available and check our jargon buster for financial terms so you have a better understanding and are prepared.
- Once you have done the research prepare a list of questions that you want to ask. www.ccpc.ie has a list of questions for individual products such as pensions, investments, insurance and mortgages, which will help you.
- Bring documents to your meeting that your advisor may need (such as proof of your identity and income).
- Gather information on any financial products that you have, such as any loans, mortgages, investments or other assets.

At your meeting

- Always answer your advisor's questions fully and honestly. It will help you and your advisor to get a clearer picture of your overall circumstances and make sure you get good advice.
- Take notes during the meeting in case you forget something, and ask questions about anything you don't understand.
- Take time to consider any recommendations carefully, and don't sign anything unless you have read and understood it.

Questions to ask when meeting your advisor

There are some questions you should ask your advisor, regardless of the type of product you are getting advice on.

- How does this product meet my needs?
- What are the product charges? How do they compare with similar products?
- Are the charges ongoing or are they once-off?
- What would happen if I missed a regular payment on this product?
- What, if any, ongoing service can I expect from you if you receive a commission?

In relation to investments, ask:

- What are the main risks with this product?
- Is my capital or any growth on my investment secure?
- What is the minimum recommended term of the investment?
- If I cash in my investment early, will I have to pay a penalty?
- Will the investment affect my tax or social welfare benefits?
- How will I find out how my investment or pension is performing?
- Please tell me about the company providing this product as I'd like to know about their reputation and financial position.
- Why do you deal with this company?
- Are there any alternative firms or products that I should consider?

Tip!

Under the Central Bank of Ireland's Consumer Protection Code a regulated **financial advisor** must act in your best interests. Make sure you get a copy of their document stating why the product they are recommending is suitable for you – as well as getting verbal confirmation. If there is anything you do not understand, ask them to explain it in more detail and in writing.

Protecting your family and belongings

Protecting your family and your belongings

It is important that you make arrangements to take care of yourself, your family and your assets. Insurance can help you prepare for unexpected events, such as loss, theft, accidents, illness, disability, redundancy or death. There are big differences in the types of insurance available, on the terms and conditions that apply and on the cost. Here are a few important pieces of information but please remember – take advice if you need it and shop around.

Issues to consider before choosing a policy

- **Do you need cover?** See what entitlements you may already be able to get such as social welfare, sick pay, ill-health retirement pension or **death-in-service benefits** through your job. Review any existing insurance policies for cover you may already have such as insurance on your personal loans and credit cards or life insurance through your work pension.

> Note
> It is not nice to think about, but occasionally bad things happen in life. Burglars steal, accidents happen, people do get sick, and some people die early and unexpectedly.

- **What type of cover do you need?** The table on pages 64-70 is a guide to help you understand the different products on offer, so you can see if they provide the cover you are looking for.
- **How much cover do you need?** This is difficult to deal with in general terms, but broadly speaking remember to insure your possessions for their replacement value and to have adequate cover in place to protect you and your family.

- **How long do you need cover for?** While general insurance (car, home, travel, private health insurance etc.) is renewed annually, life insurance is more long term. For example, you might want a life policy to protect your family for many years until your children are earning.
- **Are you eligible?** Always ask your insurer if you are eligible for cover before you buy. Some policies such as payment protection insurance for loans and mortgages may not cover you for redundancy if you are self-employed. Always read the terms and conditions because they will vary between providers. When getting an insurance quote use our 'questions to ask' on page 84.
- **Can you afford it?** Remember to budget for the cost of any insurance.

Tip!
If you think that you were sold a policy that you are not eligible to claim on, you can discuss this with your provider or make a complaint (see page 153).

Your insurance options in brief

Below are the main types of insurance. You can get more information on the individual products, as well as additional benefits and other types of insurance, on www.ccpc.ie or from Insurance Ireland. Review insurance policies regularly – remember circumstances change.

Tip!
If you haven't already made a will, arrange to speak to your solicitor, for more information look on the Free Legal Advice Centres' website, **www.flac.ie**, or check to see if your trade union offers a will service. Making a will and keeping it up-to-date (review every five years) is one of the most important ways that you can protect your family. Make sure to keep all important financial documents together so that your next of kin can access them in the event of your death.

Note
Remember that it is important to be truthful and disclose all facts that an insurer may need to know or ask about so they can be sure what you want, how risky it is, what conditions may apply, and what it will cost. If you do not tell them about all relevant issues, your insurance may be invalid.

Protection	
Protecting your belongings	
Insurance name	Home insurance
Level of cover/ main benefits	Depending on the type of policy, you can get cover for damage to your buildings or contents, for loss or damage to your valuables even when outside your home and for injury to other people in or around your home (if you are liable). You do not legally have to take out cover, but your mortgage provider can insist on it so that you could cover the 'rebuild' cost of your home (not the market value) if destroyed.
Exclusions/ restrictions	Will vary by policy. For example, some policies will not cover flood damage or subsidence if your home is in an 'at risk' area. Use our home insurance checklist on pages 81-82 to help you to shop around.
Tax relief on premium	None
Insurance name	Motor insurance
Level of cover/ main benefits	Compulsory insurance which (depending on the type of policy), can cover damage caused by your car to other people's cars and property as well as injuries caused to other people. It can also protect against damage to your car caused by fire or theft and can cover property and items stolen from your car.
Exclusions/ restrictions	Will vary by policy, check www.ccpc.ie for the different levels of cover and use our motor insurance checklist on pages 78-80 to help you shop around.
Tax relief on premium	None

Insurance name	Travel insurance
Level of cover/ main benefits	Covers you against some losses while you are travelling, such as damaged or delayed luggage, cancelled flights, delayed or missed departures, loss or theft of money or passport. (May also offer some cover for illness or injury.) See the Health Services Executive's website at www.hse.ie to see if you are entitled to free or reduced state-provided healthcare when visiting an EU country or Switzerland. If you have private health insurance you may not need travel insurance that also covers medical treatment. You may still need travel insurance to cover other risks.
Exclusions/ restrictions	Many policies do not cover pre-existing health conditions (suffered by you or your immediate relatives) unless you pre-notify them and they are willing to take that risk. Usually you can only claim for reasons exactly set out in your policy.
Tax relief on premium	None

Protecting you and your dependents	
Insurance name	Critical illness/serious illness insurance
Level of cover/ main benefits	Pays out a tax-free lump sum if you are medically diagnosed with one of the serious illnesses or disabilities that your policy covers. Your policy can last a number of years depending on your needs. You may be able to buy this as a stand-alone product or as an add-on to your life insurance.
Exclusions/ restrictions	Eligible illnesses and exclusions will be listed on your individual policy and will vary between providers but they can exclude some common illnesses so check the policy. Your age, gender, health and family medical history will affect your eligibility.
Tax relief on premium*	None
Insurance name	Private health insurance
Level of cover/ main benefits	Covers some of the cost of private and semi-private medical treatment such as hospital stays, doctors' fees and out-patient visits. Cover must be renewed. Get more information and compare plans on the Health Insurance Authority website www.hia.ie.
Exclusions/ restrictions	Pre-existing illnesses may be excluded or restricted and you may have a waiting period before your cover is activated. Not all costs may be covered.
Tax relief on premium	Yes

Insurance name	Income protection/permanent health insurance (PHI)
Level of cover/ main benefits	Provides you with a taxable income if you lose your work income due to disability, illness or injury. Your benefit is normally paid until you are fit for work (or retire, if sooner).
Exclusions/ restrictions	Your age, gender, health, family medical history, income and occupation will affect your eligibility. You may need to be in full-time paid work or be self-employed to get and continue to have income protection cover.
Tax relief on premium*	Yes
Insurance name	Payment protection insurance
Level of cover/ main benefits	Optional insurance that covers some of your loan repayments or your minimum credit card payment if you are unable to work due to an accident, illness, death or redundancy, depending on the policy. Many policies only cover a maximum of one year's repayments. Lenders must tell you that it is an optional product and quote it separately to your loan. You can cancel this cover (if you pay off your loan early or cancel your credit card) at any time and seek a refund if you paid your premium fully upfront.
Exclusions/ restrictions	Varies by policy but you may not qualify if you are self-employed, temporary or contract worker or know yourself to be at risk of being made redundant when taking out cover.
Tax relief on premium	None

Insurance name	Mortgage repayment protection insurance
Level of cover/ main benefits	Optional insurance that covers some of your mortgage repayments for a certain time if you're unable to work due to an accident, sickness, hospitalisation or compulsory redundancy. The benefit lasts for a specified time, usually 12 months. Lenders must tell you that it is an optional product and quote it separately to your mortgage. You can cancel this cover at any time. If you do take out this insurance and pay off your mortgage early, you can check with your provider if you can get a refund.
Exclusions/ restrictions	Varies by policy but you may not qualify if you are self-employed, temporary or contract worker or know yourself to be at risk of being made redundant when taking out cover.
Tax relief on premium	None
Insurance name	Mortgage protection insurance
Level of cover/ main benefits	A type of life insurance policy that repays your mortgage if you die before clearing the mortgage. Lenders must ensure that you have adequate life cover for your home mortgage. The cover lasts until you repay your mortgage.
Exclusions/ restrictions	Your age, gender, health, family medical history, occupation and lifestyle will affect your eligibility. Certain people can be exempt from having to have mortgage protection insurance, for more details go to www.ccpc.ie
Tax relief on premium	None

Insurance name	Life insurance
Level of cover/ main benefits	Pays your estate a lump sum if you die during the time limit set out in the policy. The cover is either whole of life or for a specific term, for example, 20 years. Ask your provider if your premiums are fixed or can increase over the life of the policy. You may be able to arrange life cover in connection with your pension plan or it may already be provided as part of your pension arrangements for you. Your age, gender, health, family medical history, occupation and lifestyle will affect your eligibility.
Exclusions/ restrictions	Your age, gender, health, family medical history, occupation and lifestyle will affect your eligibility.
Tax relief on premium	Generally there is no tax relief on life insurance premiums.
Insurance name	Gadget insurance
Level of cover/ main benefits	Optional insurance that covers the cost of replacing a device, usually a phone, tablet or laptop. Gadget insurance protects you from unexpected events such as loss, theft, and accidents which may lead to you having to pay for a repair or replacement of your device. Most insurers will cover your item against accidental damage, liquid damage, theft, unauthorised calls after your phone is stolen, and most will include a period of cover when travelling abroad.
Exclusions/ restrictions	Often this insurance has to be taken out shortly after you buy the gadget e.g. within 30 days. You may only be able to get cover for losing phones, iPads and tablets, but not other devices. There may also be some exclusions when it comes to cover for theft. For example, if your phone is stolen from your car but it wasn’t hidden in a glove compartment or the boot then you may not be covered. When it comes to a stolen device most insurers will require a police report. Many insurers will only allow a maximum number of claims per year, especially when it comes to phones.

Tax relief on premium	None.
Insurance name	**Pet insurance**
Level of cover/ main benefits	Typically, only dogs and cats are insured but some insurers cover rabbits, birds and horses. Most pet insurance policies will include cover for: • vet fees for illness and injury • looking after your pet if you are in hospital e.g. boarding kennels or cattery fees • the cost of cancelling your holiday if your pet is hospitalised or goes missing (usually up to a certain limit) • theft of your pet (usually the price you paid for your pet and advertising and reward if your pet goes missing) • third party liability and legal costs if your pet damages property or injures another person (this may be covered by your home insurance)
Exclusions/ restrictions	Pet insurance providers won't insure any pre-existing conditions your pet has. On most policies, routine treatments such as vaccination and neutering won't be covered. Flea and worm control and anything related to pregnancy or birth are also excluded. Some insurers won't insure certain breeds of dogs and cats and pets over a certain age.
Tax relief on premium	None

Tip!

Review your policy regularly – you may need to change what you have or may need to arrange new cover to meet your changing needs.

Top tips on getting insurance

You may be able to save a lot of money by doing a little work.

- **Shop around**, either over the phone or online from insurance companies, brokers, your bank or your mortgage lender (online and brokers may offer special deals you may not get elsewhere). When getting an insurance quote use our 'questions to ask' on page 84.
- **Compare quotes of the same level of cover and term.** Use our motor and home insurance checklists on pages 78 and 81 to help compare quotes from several providers.
- **Enquire about any discounts** that apply or any extra premiums you may be charged. Use our table on page 73 to guide you.
- **Don't forget to bargain.** If you get a good quote from one company, it is usually worthwhile to see if your existing insurer is prepared to match it or do better, in order to keep your business.
- **Make sure the insurer tells you how long their quote is valid** for or any special conditions or restrictions that apply to the cover they are offering you.
- **Ask how much extra instalment premiums will cost** you, as it varies between providers. Ask if you are being charged interest on spreading your insurance payments.

- **Check that your provider issues you with your policy document within 10 business** days of providing you with cover.
- If you don't need them, remember to **cancel any old policies** and direct debits in writing and check if you are entitled to a refund.
- **Insure your home for the amount it would cost to rebuild it**, or the reinstatement value. This is different to the market value of your home, which is what you would get if you sold it. You can get details of current rebuilding costs from the Society of Chartered Surveyors at www.scsi.ie
- **It may be a good idea to wait until it is time to renew your policy before changing providers for a better deal.** Although you are entitled to cancel an insurance policy at any time, if you have paid upfront you may not be entitled to a refund (depending on the terms of your policy).
- **If unsure do take advice.** There are many sources of information and guidance available and it is important to speak to an expert if you need help.

Tip!

If you choose a life insurance policy (excluding a pension) and you aren't happy with the terms and conditions, you are entitled to cancel within 30 days of the policy being issued and to get a refund of any premium you have already paid. This is called a 'cooling off period'. The insurance provider has the right to deduct a reasonable administration charge.

Cutting the cost of your insurance premium

Insurance type	Tips to cut your premiums
Life and related insurance	• Quit smoking. • Consider your work or lifestyle interests that may remove you from a 'risk category'.
Home insurance	Insurers may offer various discounts, which can reduce your premium, if: • the house is more than 10 years old; • there is somebody over 50 living in the house; • the house has an alarm (you may get an extra discount if it is monitored). See the discounts listed in the home insurance checklist on page 82. Only insure your house for the 'rebuild' value not the market value.
Motor insurance	• Get the right level of cover – do you need fully comprehensive cover? • Estimate the real value of your car, so you are not over insuring (paying too high a premium) or under insuring (and be unable to replace your car). • If you are buying a car consider how the model and engine size will affect your premiums. • Build up a no-claims discount and avoid penalty points. • Enquire about specific insurer options such as non-drinker insurance and company driving tests. • If adding named drivers, consider their age, licence, driving experience, previous claims, etc. • Consider paying more of an **excess**. • Consider getting insurance in your own name, some insurers may not consider your previous driving experience on someone else's policy. Use our motor insurance checklist on page 78 to help you compare insurers.

How to make an insurance claim effectively

Issues to consider before you claim

- Remember you may have an **excess** you will have to pay – make sure it's worth claiming.
- If your claim is small and will increase your premium – make sure it's worth claiming.
- Make sure you know in advance what specific conditions you have to meet to make a claim.
- Gather together all the information you will need to substantiate a claim. You may need statements, bills, photos or, for example, if claiming on travel insurance, you may need translated police or medical reports. Make sure you liaise with the Gardaí as needed.

Making your claim

- If you have cover on more than one policy, check which policy you are going to claim on or to see if you are covered at all!
- Call your insurer or broker on their emergency helpline as soon as you discover a problem.
- Give brief details of the claim and request a claim form.
- Depending on the type of claim, your insurer or broker will give you advice on what to do next. For example, if your home has been damaged, they may suggest you get some emergency repairs done – always check that your insurer will cover the cost of any repairs – and take photos before any repairs are done.
- For larger claims, such as a buildings claim on your home, you may want to hire an assessor who you pay to work on your behalf and to negotiate with your insurance company to settle your claim.

Claim settlement

- It is your choice to accept their settlement. You are allowed 10 days to consider any offer made and you can negotiate with your insurance company or broker if you are unhappy with their offer.
- Insurers normally settle claims by cheque, payable to you. If you have arranged home insurance through your mortgage lender, the insurance company may pay the money to your lender who will then pass it on to you.

Note
Your claim may be rejected if it is not covered by your policy or you have not met one of the conditions needed to cover or to claim, for example, to call the Gardaí in response to an incident. If your premium payments lapsed or if you give incorrect or incomplete information when applying for cover, for example, if you did not disclose that you were a smoker on your life insurance policy or if you did not disclose that you had penalty points on your motor insurance policy, your claim may be rejected for being invalid.

How long should a claim take?

There is no definite length of time for your claim settlement to be processed and it will depend on the type of claim. However, under the Central Bank of Ireland's Consumer Protection Code, your insurer must keep you up-to-date on developments affecting your claim and inform you in writing of the outcome within 10 working days of making a decision on your case.
If your claim has been turned down, you must be given the reasons for this in writing and details of how you can appeal the decision.

If you suffer a personal injury

- In such cases, for example, if you are injured in a road traffic accident, report the matter to the Gardaí immediately.
- Advise your insurance company straight away.

If you suffer a personal injury on the road, at work or in a public place and you believe someone was responsible, then you may be entitled to personal injury compensation. All claims for compensation must be submitted to Personal Injuries Assessment Board (piab.ie), an independent Government agency.

piab.ie assesses your case using the medical evidence provided by your doctor and, if necessary, a report provided by an independent doctor appointed by piab.ie.

If the person responsible for the accident does not agree to the Board's assessment or if either side rejects the award, the matter can be referred to the Courts. In this case, contact your solicitor for legal advice.

If you have an accident which was caused by an uninsured or untraced driver

If you have suffered a personal injury, follow the above process, but you may also wish to contact the Motor Insurers' Bureau of Ireland (MIBI). The MIBI was set up to compensate victims of uninsured and untraced drivers in Ireland.

It also makes sure claims against foreign registered vehicles in Ireland, and Irish registered vehicles abroad, are properly handled and settled.

Your checklist

- Decide what you need cover for.
- Shop around for the best deal.
- Make sure you disclose all information an insurer may need or want.
- Review your policy cover regularly, so it meets your changing needs.
- Make sure you follow the insurer's procedures fully if you need to claim.

Useful tools

Motor insurance – shopping around checklist

You can buy insurance directly from insurance companies over the phone or online, and also from insurance brokers who can deal with insurance companies on your behalf.

To find out more about motor insurance, visit our website **www.ccpc.ie**

Contact details	1	2	3	4
Name of broker or company				
Contact number or email				
Contact name				
Quotes				
Third party, fire and theft	€..........	€..........	€..........	€..........
Comprehensive	€..........	€..........	€..........	€..........
Policy **excess**	€..........	€..........	€..........	€..........
Date quote is valid until	___/___/___	___/___/___	___/___/___	___/___/___

Benefits (tick the box if the benefit applies)				
All claims				
Driver personal accident cover				
Driving of other cars				
Fire and theft				
Named driver on your car				
No-claims discount protection				
Open driving				
Personal effects stolen from car				
Replacement or hire car limit				
Replacement lock cover and fire brigade charges				
Recovery service				
Step back bonus protection				
Windscreen cover				

Windscreen security etching				
24 hour theft and accident emergency service				
Other				
Payment options (tick the box if the option applies)				
Credit card	Yes ○ No ○	Yes ○ No ○	Yes ○ No ○	Yes ○ No ○
Debit card	Yes ○ No ○	Yes ○ No ○	Yes ○ No ○	Yes ○ No ○
Instalment plan	Yes ○ No ○	Yes ○ No ○	Yes ○ No ○	Yes ○ No ○
Instalment plan total cost	€...........	€...........	€...........	€...........
Deposit required (if any)	€...........	€...........	€...........	€...........

Home insurance – shopping around checklist

You can buy insurance directly from insurance companies over the phone or online, and also from insurance brokers who can deal with insurance companies on your behalf. To find out more about home insurance, visit our website **www.ccpc.ie**

Contact details	1	2	3	4
Name of broker or company				
Contact number or email				
Contact name				
Quotes				
Buildings cover (Sum insured €...........	€...........	€...........	€...........	€...........
Contents cover (Sum insured €...........	€...........	€...........	€...........	€...........
All risks cover specified items (Sum insured €...........	€...........	€...........	€...........	€...........
Policy **excess**	€...........	€...........	€...........	€...........

Date quote is valid until	___/___/___	___/___/___	___/___/___	___/___/___
Discounts (tick the box if the discount applies)				
Age of house				
Burglar alarm				
Loyalty (other policy held)				
Neighbourhood watch				
Non-smokers in the house				
Number of years no claims				
Person living in the house during the day (particularly if over 50)				
Person over 40 or 50 years of age applying				

Smoke alarm				
Benefits (tick the box if the benefit is included in the quote or include cost if extra)				
Accidental damage to articles in the home				
Bicycle cover				
Glass breakage				
New for old replacement				
Public liability				
Subsidence cover				
Other				
Payment options (tick the box if the option applies)				
Credit card	Yes ○ No ○	Yes ○ No ○	Yes ○ No ○	Yes ○ No ○
Debit card	Yes ○ No ○	Yes ○ No ○	Yes ○ No ○	Yes ○ No ○
Instalment plan	Yes ○ No ○	Yes ○ No ○	Yes ○ No ○	Yes ○ No ○
Instalment plan total cost	€...........	€...........	€...........	€...........
Deposit required (if any)	€...........	€...........	€...........	€...........

Questions to ask when getting an insurance quote

Questions to ask before buying insurance

- What type and level of cover best meets my needs?
- Do I qualify for any discounts?
- Can I reduce my premium if I choose a larger **excess**?
- If I choose a larger excess, will I be able to claim for smaller items?
- Is the insurance company applying a loading in my case? How much is the additional loading?
- What is included in the policy and what is excluded?

If you buy insurance directly from an insurance company, ask:

- Could I get a lower quote by looking online?
- If you buy insurance through an insurance broker, ask:
  - How many quotes will the broker look for? What extra services does my broker provide, such as help with making claims?
  - What fee, if any, will I be charged by the broker? Is this instead of **commission** or will the broker also receive commission?

Quick tips

- Shop around for the best quote.
- Find out the best level of cover for you.
- Ask about any fees charged by a broker or bank (if you buy insurance through them).
- Don’t sign anything unless you have read and understood it.
- The policy offering the lowest premium may not always be the best value for money.

Borrowing money

Issues to consider before borrowing

- **Do you need it?** The five-step plan to control your finances on page 7, will help you work this out. You may be able to save for what you want by cutting back on your spending or looking at ways to increase your income. Remember to work out how much money you have coming in and going out, so you know how much you can save/afford to borrow before considering a loan. It's important to manage your money and you should always avoid unnecessary debt.

If you decide that you do need credit, find out the following first:

- **How much can you afford?** Your new budget plan will help you work out how much you can afford to repay. Consider how you will cope with future events such as higher interest rates, a drop in income, or changes to your circumstances such as having children or dealing with illness or redundancy.
- **How much you can borrow from your lender?** This will depend on your income and job security, whether you have savings, your **credit history**, if you are borrowing on your own or with someone else and if someone will act as **guarantor** for you.
- **How long should you borrow for?** Match the term of your loan with the purpose of the loan. For example, aim to pay back a holiday loan before your next holiday.

Note
A lender must not offer you **pre-approved** credit, unless you have asked for it.

Note

If you miss repayments, fail to clear a loan or credit card or settle a loan for less than you owe, it will show up on your credit record for five years after the loan is closed. This may affect your ability to get a loan in the future or could force you to borrow from lenders who charge higher interest rates. You can request a copy of your credit record for a small fee by contacting the Irish Credit Bureau and for free from the Central Credit Register. If there is a mistake on your **credit history** you can request that your lender corrects it.

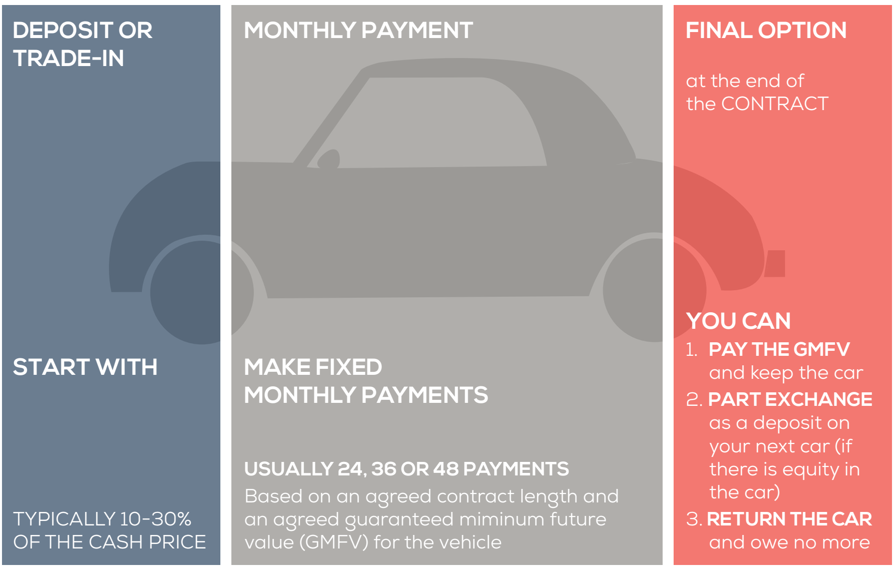
Your loan options in brief

The main types of credit available are outlined here. You can get more information on individual types of loans on our website or for a list of fees and charges on personal loans, credit cards and overdrafts go to www.ccpc.ie

Long term	
Product	Mortgage or mortgage top-up
Explanation	A loan to buy a house or a means of using equity in your home to borrow extra on top of your existing mortgage.
Usual term	Mortgages tend to be long term, anywhere up to 40 years, while top ups can have the same term as a mortgage, but it normally makes sense to repay them over a shorter term.
Typical purpose	Home purchase, improvements, extensions or other large expenses.
Medium term	
Product	Car finance (Hire purchase)
Explanation	Usually an agreement offered by a finance company through a garage when you buy a car. This is not a personal loan and you don't own the car until you make the last payment.
Usual term	3-5 years.
Typical purpose	Buying a car from a car dealer.

Product	Car finance (Personal Contract Plan or PCP)
Explanation	A Personal Contract Plan (PCP) is a type of car finance, similar to a hire purchase agreement. This is not a personal loan and you don't own the car unless you make the final balloon payment, also called a Guaranteed Minimum Future Value payment (GMFV). PCP payments are broken down into three parts: • The deposit (usually between 10% - 15%) • Monthly repayments • GMFV (this large final payment must be made if you wish to own the car) The Guaranteed Minimum Future Value is set by the finance provider, it takes into account the expected value of the car at the end of the contract.
Usual term	3-5 years.
Typical purpose	Buying a car from a car dealer.

How PCPs work



Medium term	
Product	Consumer hire
Explanation	Instead of borrowing money to buy a car, you agree to hire or lease the car for a certain amount of time. You pay a monthly amount to cover the lease. You will not own the car after you have made all of the monthly payments. This is sometimes called leasing.
Usual term	3-5 years.
Typical purpose	Getting a car from a car dealer or hiring other items such as electrical equipment.
Product	Credit union loan
Explanation	A type of personal loan offered to credit union members. Compare the interest rates with other lenders and consider whether you have to save in parallel with the loan repayments as this can take you longer to pay off your loan, and possibly make it more expensive.
Usual term	1-5 years.
Typical purpose	Holidays, education, cars, home improvements or weddings.
Product	Personal loan
Explanation	You agree to borrow an amount of money and pay back at a certain interest rate and for a length of time. May include a set-up fee. Compare costs from your credit union if you are a member. See www.ccpc.ie for up-to-date rates.
Usual term	1-5 years.
Typical purpose	Holidays, education, cars, home improvements or weddings.

Product	Debt-consolidation (non-mortgage)
Explanation	Involves pooling a number of debts into one loan with a lower interest rate, making repayments lower, but the overall cost of the loan may be higher.
Usual term	1-5 years.
Typical purpose	Restructuring your outstanding credit card balances and other personal loans.
Product	In-store credit
Explanation	Like a personal loan, you pay back a fixed amount over a fixed term. Sometimes they include a first year special offer, for example, no interest, but interest rates after this can be very high.
Usual term	1-3 years.
Typical purpose	Finance for items such as electrical appliances, computers or furniture.
Short term	
Product	Overdraft
Explanation	A loan you arrange through your current account. It allows you to spend more money than you have in your current account up to an agreed limit, known as the 'overdraft limit'. See www.ccpc.ie for up-to-date rates
Usual term	One year though can be extended. Usually your account must be in credit for 30 days during the year but check your terms and conditions. An unauthorised overdraft is much more expensive than an authorised overdraft.
Typical purpose	To manage extra expenses, or ups and downs in income.

Product	Credit card
Explanation	The money you spend is a loan from your credit card provider. They will set your credit limit (the amount you can spend), fees and charges and minimum monthly repayments but they cannot increase your credit limit without you requesting it and agreeing it first. See www.ccpc.ie for up-to-date rates.
Usual term	No set term, but long-term credit card debt is one of the most expensive forms of credit.
Typical purpose	Convenient, short-term, day-to-day spending and managing ups and downs in income and needs.
Product	Moneylender loan (from licensed lenders)
Explanation	Loans for a small amount of money that you repay at a high rate of interest over a short period of time.
Usual term	Usually a few weeks or months.
Typical purpose	Emergencies, back to school costs, special occasion expenses.

What to look for when choosing a loan

Annual percentage rate (APR): this helps you compare the cost of loans. Be careful to compare like with like, for example, loans of the same amount and term. APR will not help you compare loans of different amounts or terms. To do that, compare the cost of credit.

Annual percentage rate of charge (APRC): this is the annual rate of interest you will be charged on a mortgage. It takes account of all the costs involved over the term of the mortgage, such as any set-up charges and the interest rate. You can use the APRC to compare different mortgages, as long as you compare them over the same term, for example 30-year mortgages.

Total cost of credit: this is the amount you have to pay back on top of the amount you are borrowing. It is useful for comparing costs between loans with the same amount and term but different interest rate, or the same amount and interest rate but different terms. If you are getting car finance (**hire purchase** or **PCP**) ask your provider to give you this information, so you can compare your options.

Loan term: try to get as short a loan term as possible, because the longer the loan, the more interest it will cost you even if the monthly repayments are lower.

Other lender options: make sure to shop around as well as getting a quote from your own lender or credit union. It could save you money.

Tip!
Shop around for the lowest rates and costs by using our online cost comparisons at **www.ccpc.ie**. Compare loans of different terms and APRs, using our online personal loan calculator on **www.ccpc.ie** as we have done on the next page. You can see that the loans with the lowest terms and APRs are the less expensive.

Comparing loans with different terms

Loan: €10,000
Term: 3 years
APR: 10%
Monthly repayment: €320.65
Total cost of credit: €1,543.47

Loan: €10,000
Term: 5 years
APR: 10%
Monthly repayment: €210.36
Total cost of credit: €2,621.35

€1,077.88 more with longer term

Comparing loans with different APRs

Loan: €10,000
Term: 3 years
APR: 10%
Monthly repayment: €320.65
Total cost of credit: €1,543.47

Loan: €10,000
Term: 3 years
APR: 12.8%
Monthly repayment: €332.65
Total cost of credit: €1,975.26

€431.79 more with higher APR

Mortgages step-by-step

With a mortgage, your home acts as security for the loan. This means that if you fail to pay, your lender could ultimately take legal action and repossess the property. So it is important you understand the commitment you make when you buy a home or are considering changing your mortgage. It's normally the largest debt any of us have, and because it involves our homes, is one of the most important financial issues any of us will need to think about or deal with.

This section looks at two key areas:

- reviewing and changing your mortgage (for existing home owners) on page 97; and
- getting a mortgage (for new buyers) on page 99.

Reviewing your mortgage

As your circumstances change you may need to change your mortgage as a result. For example, you may have spare cash, be on a lower income, need to free up some cash, be unable to make repayments or be in a situation where your current mortgage deal may be due to expire.

Tip!
It is important that you can keep up with your mortgage repayments or if you cannot, to take action immediately, by contacting your lender. If you are having difficulties with your payments, see page 121.

There are many possible circumstances that may cause you to review your mortgage, such as:

Your circumstances	Your option	What does it involve?
If you're having difficulty making repayments. If you need some leeway to free up some money when you are starting out.	Flexible payment options	Can include: • **payment breaks**; • repayment holidays; • regular extra payments and lump sum payments; or • deferred start.
If you need finance for home improvements or extensions or other large developments.	Top up your mortgage	Using equity in your home to increase your existing mortgage. The amount you get depends on the value of your home and your ability to repay.
If you have spare cash and want to pay down mortgage debt. If you are on a fixed rate, check if you can make additional payments without penalty.	Reduce your mortgage	This can mean that you: • pay off a lump sum; or • pay more each month than the agreed amount.
If you're having difficulty making repayments (see page 121).	Alternative repayment arrangement, e.g. extend the term of your mortgage	This would reduce the amount you pay back every month, but as the term of your mortgage will be longer, you will pay more interest over the life of the loan.

Your circumstances	Your option	What does it involve?
If a cheaper or more flexible mortgage comes on the market or if you are moving to a new property.	Switch lenders or mortgages	This can include: • a mortgage with a lower APRC; • a different type of mortgage; or • a different type of interest rate. Make sure the savings you would make by switching to a lower interest rate outweigh the costs (such as legal fees). Our mortgages shopping around checklist on page 109 can help you to compare lenders.

Log onto **www.ccpc.ie** for more information. Use our mortgage calculator on **www.ccpc.ie** to estimate the changes to your mortgage and our mortgages shopping around checklist on page 109 to help you compare lenders.

Note

If you change your mortgage or extend the term you will need to check if your mortgage protection (life) insurance still meets your needs.

Getting a mortgage – things to do first

These days it can be much more difficult to get a mortgage. The most important things to do are to keep saving and ensure you make any loan repayments in full and on time to ensure that your credit record is as good as it can be. If you want a mortgage or need to review/change the one you have, think about the following:

Work out how much you can afford using the budget planner on www.ccpc.ie. Our mortgage calculator on www.ccpc.ie allows you to work out the cost of your monthly repayments, to compare monthly repayments for mortgages over different terms, and to compare the impact of different interest rates. Remember, the longer the term, the more expensive the loan (assuming that the rate stays the same).

Find out how much you can borrow, as depending on current lending Regulations and their lending policy and other factors (such as your income, job security, savings, age, outstanding loans, **credit history**, etc.) lenders may take different approaches.

Save for the costs in buying a home which, as well as your deposit, will include estate agents fees, solicitor's fees, valuation fees and stamp duty (see www.revenue.ie for more information) as well as costs for home improvements if needed.

Research your interest rate options by comparing lenders and looking at the details on page 102.

Shop around various lenders or use a mortgage broker, and use our shopping around checklist on pages 109-113 to help you. Compare mortgages using the same criteria as if you were to apply for other loans (APRC and cost of credit) – see the mortgages cost comparison on www.ccpc.ie.

Try to get approval in principle for a mortgage first so you know how much you can borrow before you start looking at properties.

Check your mortgage offer for an expiry date (a date by which the mortgage amount must be drawn down). Once your loan offer expires (typically between three to six months), you will need to apply again.

Shop around for any mortgage protection, (life cover) and home insurance as there can be differences in the costs of such policies. You can get more information on pages 64-70. A broker or a lender cannot offer you a mortgage or a certain interest rate on condition that you deal with a particular estate agent, solicitor or buy a particular insurance product. You can shop around for these.

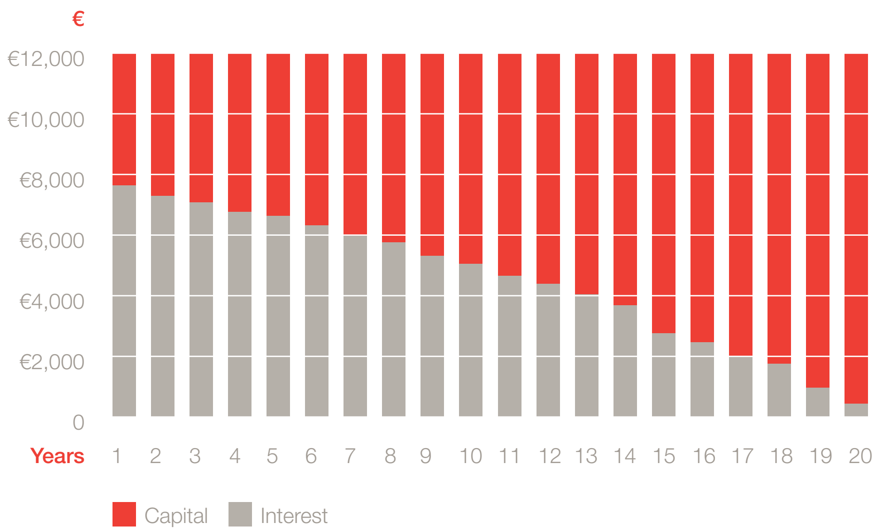
Beware the interest rate on your loan offer letter may be different to the draw down rate. The interest rate shown on your mortgage loan approval is not necessarily the rate you will pay. Usually, the interest rate for your mortgage will be set only on the day that the money is actually lent to you. This is called the date of draw down.

Choosing the right mortgage for you

An annuity is the most common type of mortgage (you can get information on other types at www.ccpc.ie). Your monthly repayment is made up of two parts:

- an interest payment; and
- a capital repayment (paid off the balance).

In the early years of your mortgage, a higher proportion of your repayment will go on interest, as you owe more. As time passes your capital (or loan) outstanding decreases, the proportions change so that you are paying less interest and more off the original loan amount. The graph below shows how this can work based on a €150,000 mortgage over 20 years, with average annual repayments of €12,000 (€1,000 per month). For simplicity, the average interest rate is assumed at 5% throughout.



Choosing the right interest rate for you

Make sure you understand the impact choosing a particular interest rate will have on your repayments.

Rate type	Advantages	Disadvantages
Fixed rate	Your repayments are guaranteed to stay the same throughout the fixed term of the loan. You might find this handy if you find it hard to budget or if you need certainty.	Your repayments won't fall if interest rates fall. You will usually have to pay a penalty fee if you want to pay your loan off early, switch lenders or move to a variable rate before the end of the fixed rate term. May cost more over the loan term overall and give you less flexibility compared to variable rates.
Variable rate	You can usually pay off your loan early (in part or in full) without paying a penalty fee. If interest rates fall, your repayments can also fall. And you could use the extra money to pay off your loan earlier. Some lenders will offer you various types of flexible options. You can get more information on www.ccpc.ie	Your lender can increase your rate of interest at any time and this can increase your monthly repayment.

Use our mortgages shopping around checklist on page 109 to help you.

Note

A split rate is where a portion of your mortgage is on a fixed rate and the other portion is on a variable rate. Your repayments on the fixed part won't change but you may benefit from any fall in rates on the variable part. However, your repayments on the variable part may also rise.

Tip!

Tracker mortgages (a type of variable rate linked to the current European Central Bank rate) are not offered to new customers anymore. If you are thinking of switching from a tracker rate to a (potentially less favourable) fixed or variable rate, remember you might not be able to switch back. You also may not be able to keep your tracker rate if you want to top up your mortgage or move house. Make sure you compare the full costs and think twice before giving yours up. Even if you are having difficulties repaying your mortgage, lenders cannot require you to move from a tracker mortgage – for more information, see the Code of Conduct on Mortgage Arrears on **www.centralbank.ie**

Questions to ask your mortgage provider or broker

- How much can I borrow?
- What is the overall cost of the loan?
- What is the **annual percentage rate of charge (APRC)**?
- Why is the mortgage you recommend suitable for my needs?
- What are the monthly payments over different terms, such as 15, 20, 25, 30, 35 years?
- If I get a discounted rate, what rate applies at the end of the discounted period and what effect will that have on my repayments and the total cost of the loan?
- What effect will a 1%, 2% or higher increase in interest rates have on my repayments?
- How often is the interest on my mortgage calculated (e.g. daily, weekly, monthly or quarterly) and what effect will this have on my total repayments?
- Can I get flexible terms if I need to?
- What are the penalties if I change from a fixed to a variable interest rate?
- Do I have to buy an **indemnity bond**?
- Do you charge a fee if I don't take your mortgage offer?
- What special offers are or will be available to me?
- Can I repay the mortgage early, or can I make extra payments when I want to?
- What should I do next?

Tip!
Use our mortgages checklist on pages 109-113 to help you compare your mortgage options. Think twice before switching out of a tracker mortgage, see page 103.

What to do when you get your mortgage

- **Make sure you claim tax relief on the interest you pay on your home mortgage.** See www.revenue.ie for more information.
- **Keep a copy of all correspondence and documentation** from your lender in a safe place.
- **Review you mortgage regularly** to make sure you are still getting the best deal. If you are not, you may want to consider changing your mortgage if you can – see page 97.

Your checklist

- Check what you can afford.
- Research and shop around for products based on their suitability for your needs.
- Review your mortgage regularly.

Useful tools

Car finance – shopping around checklist

It is very important that you:

- read the finance agreement before you sign it;
- know what the terms and conditions are;
- understand what **hire purchase**, PCP and consumer hire are, (see pages 125-130); and
- consider other options to borrow for the car, for example, a personal loan or a credit union loan.

Just because the car you like is cheaper in a particular garage that doesn't mean that it will always be the cheapest option for you. Sometimes, an expensive car finance agreement could mean that you end up paying more for the cheaper car in the long term. Use our table on the next page to compare the different hire purchase or PCP agreements available in the garages you visit. To find out more about hire purchase or PCP in general or other types of car finance visit our website www.ccpc.ie

	1st Company/ dealer	2nd Company/ dealer	3rd Company/ dealer
Provider			
Is this hire purchase or PCP?			
Cash price of vehicle	€...........	€...........	€...........
Deposit/trade in	€...........	€...........	€...........
Amount financed	€...........	€...........	€...........
Hire purchase price (deposit/ trade in + monthly repayments + interest + fees) **or** **PCP cost** (deposit/trade in + monthly repayments + interest + fees + Guaranteed Minimum Future Value)	€...........	€...........	€...........
Interest rate	€...........	€...........	€...........
Term of finance (how long does the agreement last for?)	€...........	€...........	€...........
Monthly repayment	€...........	€...........	€...........

Balloon payment or Guaranteed Minimum Future Value (if any)	€………..	€………..	€………..
Cost of credit (difference between cash price of the car and the Hire Purchase or PCP cost)	€………..	€………..	€………..
Documentation fee	€………..	€………..	€………..
Other fees	€………..	€………..	€………..
Interest surcharge for missed payments	€………..	€………..	€………..
Penalty fee for missed payments	€………..	€………..	€………..
Repossession charge	€………..	€………..	€………..
Rescheduling charge	€………..	€………..	€………..

Mortgages – shopping around checklist

Use this sheet to help you shop around for the best deal for you, whether you are taking out your first mortgage, topping up your existing mortgage or thinking about switching your mortgage to a new provider. To find out more about mortgages visit our website **www.ccpc.ie**

My mortgage needs	
Amount of mortgage (price less deposit)	€..
Term	.... years
Maximum monthly repayment* I can afford	€..

* Use the budget planner to work out how much you can afford – remember interest rates may increase so allow for this when working out how much you can afford.

Name and contact number:	Provider A	Provider B	Provider C	Existing mortgage (if applicable)
For new mortgages				
What is the maximum term available?	.... years	.... years	.... years	N/A
What is the maximum **loan to value** available?	............%	............%	............%	N/A
Is there a special rate for first time buyers? What is it? (APRC)	Yes ○ No ○ .... APRC	Yes ○ No ○ .... APRC	Yes ○ No ○ .... APRC	N/A
How much will the mortgage interest **tax relief** reduce my repayment? And for how long? (Information available from Revenue)	€........... .... years	€........... .... years	€........... .... years	N/A

For mortgage switchers				
Are switching costs paid by the lender, for example, legal fees, etc.? If so, how much?	Yes ○ No ○ €...........	Yes ○ No ○ €...........	Yes ○ No ○ €...........	N/A
If costs are paid, is there a claw-back if I move or pay off the mortgage early? What is the claw-back?	Yes ○ No ○ €...........	Yes ○ No ○ €...........	Yes ○ No ○ €...........	N/A
If I consolidate other debts onto the new mortgage how much extra will this cost?**	€...........	€...........	€...........	N/A
For all mortgages				
What rates are available? (APRC)	APRC	APRC	APRC	APRC
- Standard variable	............%	............%	............%	............%
- Loan to value (LTV) variable	............%	............%	............%	............%
- Discounted variable	............%	............%	............%	............%
- Tracker variable	............%	............%	............%	............%
- Fixed rate	............%	............%	............%	............%
- Term of fixed rate	.... years	.... years	.... years	.... years

What happens at the end of the term of my fixed rate – what type of rate will I automatically transfer to?				
What will my monthly repayment be?	€...........	€...........	€...........	€...........
How much will the mortgage cost me for the full term? (cost of credit)	€...........	€...........	€...........	€...........
Can I pay lump sums off the mortgage?	Yes ○ No ○ €........... Max. p.m.	Yes ○ No ○ €........... Max. p.m.	Yes ○ No ○ €........... Max. p.m.	Yes ○ No ○ €........... Max. p.m.
Can I pay extra each month off the mortgage?	Yes ○ No ○	Yes ○ No ○	Yes ○ No ○	Yes ○ No ○
Will extra payments be taken off the balance straight away?	Yes ○ No ○	Yes ○ No ○	Yes ○ No ○	Yes ○ No ○
Do I have to pay a penalty for paying a fixed rate mortgage off early?	Yes ○ No ○	Yes ○ No ○	Yes ○ No ○	Yes ○ No ○
What is the application/ administration fee?	€...........	€...........	€...........	€...........

What is the penalty for late or missed repayments?	€………..	€………..	€………..	€………..
If I use a mortgage broker, what fee will he/ she charge?	€………..	€………..	€………..	€………..
Can I afford this loan?	Yes ○ No ○***	Yes ○ No ○***	Yes ○ No ○***	Yes ○ No ○***

**If you roll all your credit card debt and personal loans, which have higher interest rates, into your mortgage, you will be able to pay off these loans at a much lower interest rate but this may cost you more overall. For example, if you extend a five-year personal loan over 20 years, you will end up paying more overall even if the rate is lower.

Can I afford this loan?

***If you answer no to this question you will need to revise your budget and your plans.

Dealing with debt

Dealing with debt

Five-step plan to deal with debt

Step 1

Prioritise your debt

- List your debts in order of importance. Mortgage or rent, gas and electricity are your priority debts. If these are not paid, you could be at risk of losing your home or having your electricity or gas cut off.
- Next list any other debts you have, e.g. credit card debt, overdrafts and personal loans. These are your secondary debts. Secondary debt with the highest interest or **annual percentage rates** (APR) should be paid after your priority debts. The APR is the annual rate of interest you will be charged on a loan. You can find out what your APR is by checking your statements.

Step 2

Revise your budget

- List everything that you have coming in and going out each week/month. When listing your expenditure, be tough with yourself and only include things you have to spend money on.
- This will help you to see what money you have left over at the end of each week/month to cover your debts.
- Once you know what you can afford each week/month, you will feel more confident about having a conversation with your lender(s).

Step 3

Contact lenders/MABS asap

- Contact your lender(s) and other creditors to discuss your options. Have an honest conversation about how much you can afford to repay each week/month. This is very important, as whatever new agreement you come to with your lender; you will be expected to stick to it. If a new agreement is reached always make sure you ask for it in writing for the bank/lender.
- Discuss your options with your lender – **debt consolidation, payment breaks,** or extending the term of your loan. Some options will make your loan more expensive in the long term, but it will make things more manageable for you in the short term.
- The Money Advice and Budgeting Service (MABS) provide free support and advice. See www.mabs.ie.

Step 4

Manage new repayments

- Make a budget using the pull-out budget planner you received with this handbook. This will help you plan ahead for the next 12 months, taking into account the new repayments you agreed with your lenders.
- Keep up to date with your new repayments.
- If you feel that you are continuing to struggle under the new arrangement, go back to your lender.

Step 5

Keep up to date

- Once you get back on your feet, make sure to review your finances – you may be able to increase your payments again which will mean you could be debt-free faster.

Dealing with problem debt – Priority and secondary debts

Debts	Monthy/ weekly repayments	Amount outstanding	Name and contact details of provider	Have you contacted your provider yet?	
Priority debts				Yes	No
Mortgage/rent					
Car finance (hire purchase or PCP)					
Utility bills					
Other					
Secondary debts				Yes	No
Personal loan (for example car loan)					
Credit card					
Credit union loan					
Moneylender's loan					
Loans from family/friends					
Other					

* If you are worried about your loan repayments, contact your lender as soon as you can to explain your situation and find out about your options.

Getting help if you are in trouble with debt

The strain of dealing with debt problems can be enormous. But there are steps you can take to help regain control as well as your peace of mind. The best way you can do this is to get help immediately. You have a number of options including speaking with:

- your lender/financial institution or mortgage broker;
- Government agency MABS – Money Advice and Budgeting Service;
- Insolvency Service of Ireland or
- commercial debt advice or debt management companies.

> Tip!
> If you lose your job check if you have **mortgage repayment protection** or payment protection insurance. Your policy may cover some of your credit repayments for a period of time (see pages 67-69 for more information).

Your lender, financial institution or mortgage broker

If you are worried about your loan or mortgage repayments, contact your broker or lender as soon as you can to explain your situation. Use our three-step plan on pages 115-116 to help you gather the information you need, before progressing with your lender. Your options may include restructured payment plans, **debt consolidation**, **payment breaks** or extending the term of your loan (see page 116 for more information). These options will make your loan more expensive in the long-term, but they will make things more manageable for you in the short term. MABS also produce a comprehensive “Guide to Dealing with Debt”, which provides step-by-step detail on going through the process to deal with debt.

Money Advice and Budgeting Service (MABS)

The Money Advice and Budgeting Service (MABS) is Government-funded, and is the only impartial, free, independent and fully confidential service in Ireland, providing one-to-one advice to people struggling with debt.

The MABS process for dealing with debt is widely recognised for being comprehensive and fair in working with clients to manage their commitments. For more information:

- log onto the MABS website, www.mabs.ie
- call their helpline on 0761 07 2000; or
- drop in to one of their offices nationwide to speak to a MABS advisor.

Insolvency Service of Ireland (independent government body)

An individual may be deemed ‘insolvent’ if they are no longer able to meet their financial obligations – this could mean they are struggling with debt, part paying their bills, avoiding direct debits or missing payments. The aim of ISI is to help sort out personal debt problems and restore people from insolvency to solvency in a fair, transparent and equitable way. Please note the ISI only deals with personal debt and not business debt. For more information see www.backontrack.ie.

Debt advice or debt management companies

These commercial companies can try to re-negotiate lower loan repayments with your creditors on your behalf in exchange for a fee, these fees can be high. The Central Bank regulates debt management companies and more information is available for them. See www.centralbank.ie.

Note

Debt advice firms cannot guarantee a successful outcome for your case. They can only negotiate on your behalf. However, your lender can still progress your case through the usual legal channels if you continue to default on your loans.

If you are considering using a commercial debt management company, make sure you find out the following:

- Check if the firm deals with all debts or just non-mortgage related ones.
- Ask what training staff have and if the firm is regulated and check on the Central Bank website register.
- Get a full breakdown of how much the commercial debt management company is paid in fees and charges and what they relate to. For example, do you have to pay for initial advice, just the re-negotiated loan package or both? And do you pay a flat fee or a percentage of your debt?
- Find out how you pay the fee. Is it upfront or by instalments or at a later date and are there any extra charges for this?
- Ask if you will have to pay full costs even if the company cannot re-negotiate all of your debts.
- If you re-negotiate your loan repayments check how much extra this will cost you overall.
- Check if the company is connected to other organisations that sell financial products.
- Ask if your money is kept in a client account separate from the company's other bank accounts.

Note
A firm cannot guarantee to clear your debt entirely. Even if a firm freezes your repayments or negotiates more affordable monthly repayments for you, the overall cost of your loan will increase (by making the term longer) and will take you longer to pay off. Get the company to give you a full breakdown of how any changes will affect your debts in the long run, for example more interest to pay, longer term, etc.

Dealing with home mortgage arrears and pre-arrears

Dealing with your mortgage case

If you are having difficulties meeting your mortgage repayments or think you will in the near future, your first step should be to contact your lender as soon as possible to discuss your situation.

Your lender will have a specially trained person in each branch to deal with your case and any meetings between you and your lender to discuss your situation must be conducted in private. If you would feel more comfortable and need some support, bring a relative or friend with you to discuss your mortgage arrears situation with your lender.

Since the 1st January 2011 under the Code of Conduct on Mortgage Arrears all lenders must have a “Mortgage Arrears Resolution Process” (MARP) in place to be used when dealing with arrears and pre arrears customers. This Code applies to the mortgage loan of a borrower which is secured by his/her primary residence. Primary residence means a property which is a) the residential property which the borrower occupies as his/ her primary residence in this State or b) a residential property which is the only residential property in this State owned by the borrower.

The Code sets out how your lender must communicate with you, provide information to you, assess your mortgage arrears situation, come to a resolution and manage any subsequent appeals. Your lender must give you a copy of the Mortgage Arrears Resolution Process which is a booklet of related information, or refer you to the online informaiton. The four steps of MARP are Communication, Financial Information, Assessment and Resolution. You can get more information on the “Code of Conduct on Mortgage Arrears” in the Central Bank of Ireland’s website, www.centralbank.ie.

Note

Your situation will be handled in line with MARP if your mortgage arrears remain outstanding for 31 days from the date you first fell into arrears. Your mortgage lender must then notify you in writing of the status of your account within three days. To receive the protection of MARP you must co-operate with the consumer requirements within the code.

Your mortgage lender will:

- ask you to complete a standard financial statement with your information; and
- assess your case (through your lender’s Arrears Support Unit) and decide whether or not to offer you an alternative repayment arrangement.

Note

If you engage in the MARP and co-operate with your mortgage lender, your mortgage lender cannot apply charges or surcharge interest to arrears on your mortgage. But normal interest will continue to apply.

If your mortgage lender does not offer you an alternative repayment arrangement your mortgage lender must notify you of:

- the reasons why in writing;
- other options available to you;
- your right to appeal to your lender's Appeals Board.

Note

If you have a mortgage arrears related complaint, for example, terms of alternative repayments, treatment of your case, if you did not get an alternative repayment, etc., you need to make a complaint to your lender's internal Appeals Board first. You can get more information on **www.centralbank.ie**. If you are unhappy with the outcome you can then refer your complaint to the Financial Services and Pensions Ombudsman.
In relation to Mortgage Arrears Resolution (MARP) Complaints, where issues of sustainability/repayment capacity are in dispute, the Financial Services and Pensions Ombudsman is only in a position to investigate a complaint as to whether the provider, in handling a mortgage arrears issue, correctly adhered to its obligations, persuant to the Central Bank's Code of Conduct on Mortgage Arrears (CCMA).

If you receive legal notification of home repossession

Your lender cannot apply to the courts to start legal action for repossession of your home until every reasonable effort has been made to agree an alternative arrangement.

If you engage in the MARP and co-operate with your mortgage lender (but subsequently lapse on your repayments), your lender must wait at least 12 months from the date you lapse on your payments, before applying to the courts to start legal action to repossess. However, in certain circumstances the lender does not have to wait 12 months before starting repossession proceedings, for example, if you do not co-operate. Get more information at the Central Bank of Ireland's website www.centralbank.ie.

If you miss three full or partial mortgage repayments and an alternative repayment arrangement has not been put in place, your mortgage lender has to notify you, in writing, of the potential for legal proceedings for repossession of the property and the estimated costs to you.

If you agree an alternative repayment arrangement for your mortgage with your mortgage lender and continue to meet your revised repayments, your lender cannot start legal action against you to seek repossession of your home.

Tip!

It is important that you engage with your mortgage lender as soon as you get into arrears. If you find yourself in trouble with your mortgage, get some useful information on **www.mabs.ie**

Dealing with non-mortgage arrears, e.g. car loan or car finance debt

Personal loan

If you took out a personal loan to buy a car, then you own the car, so you have the option to sell it and use the proceeds to pay off some or all of your outstanding loan. Or you can ask your lender to restructure the loan agreement so that you can afford the repayments but be aware of any extra fees and interest.

Hire purchase agreements

A **hire purchase** agreement is not a loan. If you buy a car on hire purchase you do not own it until the last payment has been made. Because you do not own the car, you do not have the option of selling it if you cannot afford the repayments. The Central Bank of Ireland's Consumer Protection Code does not apply to consumer hire purchase. But the protections of the Consumer Credit Act, 1995 do apply and you can still go to the Financial Services and Pensions Ombudsman if you have complained to your provider and are unhappy with the outcome of your complaint.

If you get into financial trouble (and want to keep the car), talk to your finance company, explain your situation and ask them to restructure the agreement but again be aware of extra fees and charges. Or you can end your agreement, at any time, under the half rule and give the car back to the finance company. The 'half-rule' is part of the Consumer Credit Act, 1995 and gives you the right to end a hire purchase agreement at any time. Your documentation (the agreement) from the finance company must show the figure for half the hire purchase price of the car. The 'half-rule' allows you to end the hire purchase agreement and limits your liability (what you owe) to half the hire purchase price of the car.

You do not have to pay half the hire purchase price to the finance company before you end the agreement and return the car, but you will have to make up the difference between what you have paid and half of the hire purchase price. We have included more information on how this works and a sample letter you may like to use on page 134. These are the steps you need to follow to end the agreement under the 'half rule'.

- Write to your car finance provider or bank, informing them that you want to end the agreement and return the car using the half rule – use our sample letter to help you.
- Agree a pick up point or return the car yourself. If you don't, you may be charged a collection fee.
- Take pictures of the car, inside and out, to confirm the condition of the car so you are not liable for any additional costs if the car gets damaged after you return it. If there are damages to the car, you may want to get the repairs done by your own mechanic before you send it back or your provider may charge you for the cost of any repairs.
- It is very important to read any documentation sent out by your car finance company when you return your car. Do not sign a **voluntary surrender** form as you will give up your right to return the car under the half rule.
- Return the car to the garage or to whatever location is agreed between you and the finance company.

PCP agreements

A **Personal Contract Plan** (PCP) is similar to a hire purchase agreement and tends to result in lower monthly repayments. You don't own the car until you have made the final "balloon" payment, otherwise known as the Guaranteed Minimum Future Value payment (GMFV). Until this balloon payment is made the finance company are the owners of the car, not the garage you bought it from.

If you are having difficulties making your monthly PCP repayments, you may be allowed to sell the car to pay off what you owe, but you will need to get permission from the finance company, who are the owners of the car, to do this. PCP contracts, like hire purchase agreements, allow you to end your contract early and give back the car however, you still owe up to half of the price of the car– this is called the 'half rule'.

The half rule is part of the Consumer Credit Act 1995 and gives you the right to end a PCP agreement at any time. The half rule limits your liability (the amount you are responsible for) to half the PCP price of the car. Your documentation (the agreement) from the finance company must show the figure for half the PCP price of the car.

If you have paid **less than half** of the PCP price of the car, you can give the car back, and you will only owe the difference between what you have paid, and half of the price of the car. You do not have to pay half the PCP price to the finance company before you end the agreement under the half rule. However, you will have to pay the difference between the payments you have made to date and half the PCP price.

If you return the car under the half rule in addition to owing half the price of the car you may also owe money if you have damaged the car or if you have not kept to other contract terms and conditions. With PCPs, because the deposit and monthly repayments are generally low it takes longer to reach the half rule stage than it does under a hire purchase or personal loan agreement. Before entering a PCP agreement it would be beneficial to calculate at what time in the contract you will have reached the half rule stage. Even still, ending your contract using the half rule may be an option.

If you have paid **more than half** of the PCP price of the car you can end the agreement and hand back the car. You will be responsible for the cost of any repairs that are necessary and other costs that are set out in the contract terms and conditions, including excessive mileage and interest due on any late payments. If you have paid more than half of the PCP price, you will not be entitled to any refund.

If you wish to return a car using the half rule, take a look at the steps above under 'Hire purchase agreements' on page 125.

Note

If you are in arrears and end your agreement under the half rule, you will still owe the arrears and interest can still accrue on these arrears but it means you won't build up additional months of unpaid car repayments. You can get more information on **www.ccpc.ie**

Tip!

Once you have paid one-third of the hire purchase price, a lender cannot repossess the car without taking legal action against you. The car cannot be repossessed from your driveway, regardless of how much money you've paid back.

Note

There are rules on how lenders must handle non-mortgage arrears. Under the Central Bank of Ireland's new Consumer Protection Code (2012):

- The lenders arrears handling procedures and information must be on their website.
- The lender cannot contact you to more than three times per month (unsolicited).
- If you are trying to work out a repayment arrangement with your lender and they do not agree with it, the lender must give you a 'reasons why' letter explaining why they have not approved the new repayment arrangement.

For more information go to **www.centralbank.ie**

Tip!

If your lender has started legal action against you, do not ignore any legal letters or documents you receive and always attend court proceedings if requested. If you cannot afford a solicitor, check with the Legal Aid Board if you are eligible for free legal aid. Repossession is the last option for many lenders and can usually only happen after a court case.
It's important that you can show that you have co-operated with your lender and made an effort to repay as much as you can.

Note

If you are in arrears, remember a lender/financial institution or mortgage broker can only make a personal visit if you have given them permission.

With a consumer who is an existing customer they can only contact you by phone if:

a) If within the previous 12 months, they provided you with a product or services similar to the purpose of the telephone contact.

b) If you hold a product, which requires they maintain contact with you in relation to that product and the contact is in relation to that product.

c) The purpose of the telephone contact is limited to offering protection policies only or

d) You have given your consent to be contacted in this way by them.

If your lender/financial institution or mortgage broker makes a personal visit or telephone call they must identify themselves immediately, inform you the call is being recorded and establish if you would like the personal visit or telephone contact to continue. If not the conversation should end immediately.

If you do reach an agreement with your bank to reschedule a loan then your bank or building society should give you a clear explanation of the revised repayment arrangement. They should also let you know what impact this will have on your credit rating so you will know what information on your arrears will be shared with the Irish Credit Bureau and Central Credit Register.

Dealing with other debt

- **Utilities such as electricity or gas.** The Commission for the Regulation of Utilites requires that energy suppliers develop their own code of practice and customer charters for the protection of electricity and natural gas customers. Talk to your energy supplier and ask for the options available to help you, for example, a pre-paid meter, budget plan, etc.
- **Other debts.** Information on dealing with problems paying other types of bills is available from MABS at www.mabs.ie and from the Citizens Information Board on www.citizensinformation.ie.

Your checklist

- Prioritise your debt.
- Work out a revised budget.
- Deal with your creditors.
- Manage your ongoing payments.

Useful tools

Hire purchase – useful example and letter

The total **hire purchase** price will be written on your hire purchase agreement as will half of the hire purchase price. If you are in arrears you can still end your agreement under the half rule. However, you may still owe the arrears to the finance company and any other fees or charges that apply. They may also have the right to charge additional interest on your arrears – called surcharge interest. You need to check your original agreement to confirm the amount of interest they can charge on those arrears. For more information on problems making car finance repayments take a look at www.ccpc.ie/

If you want to end a Personal Contract Plan (PCP) agreement, it will be a similar process to the hire purchase example below. The sample letter could also be used for a PCP agreement.

Useful hire purchase example

Joe picked a car that cost €13,300 from a car dealer. The dealer arranged a five-year hire purchase agreement for Joe, and asked for a deposit of €1,000. The total hire purchase price is €16,790.69. In month 37 of the agreement, Joe wants to end the agreement but he cannot afford to pay the balance and keep the car. This example shows you how to work out the hire purchase price of the car and to calculate whether or not you can give your car back under the half rule.

Cash price of the car	€13,300
Less deposit	€1,000
Amount for finance	€12,300
Plus interest charges	€3,355.20
Plus documentation fee	€72.00
Plus completion fee	€63.49
Equals the total hire purchase price	€16,790.69
Total amount Joe has paid to date:	€10,465.12
(Broken down as follows)	
Deposit	€1,000.00
36 repayments of €260.92	€9,393.12
Documentation fee	€72.00

In month 37, Joe has paid over half of the hire purchase price and can give back the car. He should write to the hire purchase company to inform them of this using our template letter. Joe will also be responsible for any repair costs that are necessary. He will not get a refund if he has paid over half of the hire purchase price before handing back the car.

If Joe had not paid half the hire purchase price he could still terminate the agreement, give back the car and arrange to pay the balance up to half the hire purchase price.

Hire purchase useful letter

Your Name

Your Address

Company's Address

Date

Termination of agreement under the half rule

Dear Sir/Madam

Re: Account Number (Car Make/Model and Registration Number)

I wish to exercise my right to terminate the above Agreement under Section 63 of the Consumer Credit Act, 1995.

Please send me details of how the vehicle can be returned to you.

Please confirm receipt of this request in writing to me on **(include your address/email address)**.

Yours faithfully

Your Name

Planning for your later life

Planning for your later life

Although it may seem like a long way off to some people, when you consider that the average person spends 20-23 years in retirement and the current State pension is about one third of the average wage packet you can see how important it is to start planning early for your golden years!

Do you need a pension?

The key issue to consider is quite simple – how will you pay your bills when you are older and no longer have a job? You will need some form of income, and along with any savings or investments you may have, pensions can play an important role in providing it.

There are two main groups of pensions; State pensions and all other pensions, which include personal pension plans, and employer pensions.

You are entitled to a State pension when you retire. The various types of state pensions have been outlined below.

Types of State pension	Age it is paid to you	Conditions you must meet to be eligible for it
State pension (Contributory)	66*	You must have paid enough social insurance contributions (you can continue to work while receiving it).
State pension (Non-contributory)	66*	You must satisfy a means test to qualify for this – it is for people who do not qualify for the contributory State pension.

* This age is due to increase to 67 in 2021 and 68 in 2028.

The age at which you can claim a state pension also depends on the year you were born. For more information see www.citizensinformation.ie

Tip!
If you have worked abroad or part-time for a period you may not qualify for a full contributory pension but you may still be entitled to a reduced contributory pension. If you left the workforce to care for children or an incapacitated adult or child, you may be entitled to extra credits called 'home-maker's credits'. These credits may help you qualify for a pension or entitle you to a higher rate of pension. There is more information on **www.welfare.ie** or contact your local Department of Employment Affairs and Social Protection office.

For more detailed information on State pensions go to the Department of Employment Affairs and Social Protection's website www.welfare.ie or www.citizensinformation.ie

Other pensions (through your employer or set up privately) are a type of investment plan, used to bridge the gap between your current income and what you will get from the State when you retire.

They do this by using money you may have saved in a pension plan during your working life (pension contributions) and these can grow into a pot of money (**pension fund**), which can be used to provide you with a tax free lump sum plus a regular income (which is taxed) when you retire.

Your pension options

If you want to try and bridge the gap between your current level of income and that which you may get in retirement, from your savings, from your employer or from the state, you may want to consider contributing to a pension provided by your employer or to take out your own pension plan.

Personal pension plans and employer pensions

If your employer offers a pension plan you may have to contribute to it as a condition of your contract. If you are employed, by law your employer must offer you a standard PRSA if:

- there is no employer pension plan in place through your job
- you are not eligible to join your employer pension plan within the first six months of your service
- you are eligible to join your personal pension plan but only for **death-in-service benefits**.

Employer pensions are either:

- defined benefit (set amount based on years of service and salary at retirement); or
- defined contribution (where your pension income depends on the contributions made by you and your employer plus any investment growth, less charges).

Tip!
Ask a **financial advisor** to help you find the pension that is best for you. See page 55 for tips on meeting a financial advisor.

One of the most significant benefits of saving for a pension is that you will get **tax relief** on your contributions that you would not get from other forms of savings and a certain amount of tax-free cash when you retire (although your regular income will be taxed). You can get more information on the Revenue Commissioners' website, www.revenue.ie.

The following table should help you compare the main types of pension schemes. This is a general guide and you should check the rules of your pension scheme for information that is particular to you.

Employer pension plan Also called an occupational pension.	
Access	You can only access this type of plan if your company provides one and you are eligible to join it.
Can my employer contribute?	Your employer must make some contribution to the plan. The amount of contributions will depend on the rules of the scheme.
When can I take my benefits?	Information on your normal retirement age and information on whether you can retire early would be available from your employer or the scheme trustees.
Level of benefits	Depends on whether you have a **defined benefit** plan (set amount based on years of service and salary at retirement) or a **defined contribution** plan (estimated, which will be determined by the amount of contributions into the scheme, any growth, less any charges). You can top up on what you expect to get in retirement by making **Additional Voluntary Contributions (AVCs)** or (if you are a public servant) **Notional Service Purchase (NSP)** through your employer if you wish to boost your pension benefits.
Charges	The pension provider will generally apply charges as a cost of running the scheme, the trustees should be aware of the charges which apply to your scheme.

Personal Retirement Savings Account (PRSA)	
Access	A more flexible type of personal pension. If you are self-employed, a home-maker or carer or unemployed you can take out a PRSA with a provider (and claim **tax relief** yourself). If you're employed but access to the employer pension plan is restricted your employer must provide access to a PRSA. You get tax relief at source if you go through your employer's designated PRSA provider.
Can my employer contribute?	Yes, but they do not have to.
When can I take my benefits?	Normally you can start taking benefits when you're aged between 60 and 75 years. You may be able to take your benefits if you retire early from employment at the age of 50 or over or if you can no longer work because of serious illness or disability.
Level of benefits	Like defined contribution pensions and personal pension plans the value of your pension depends on the amount you have paid in plus any growth, minus charges.
Charges	Standard PRSAs have capped charges. See www.ccpc.ie for more information. Non-standard PRSAs generally have higher charges than standard PRSAs. Charges are not capped.

Personal pension plans	
Access	Also known as **Retirement Annuity Contracts (RACs)**. These are suitable for people who are earning an income but not contributing to an employer pension scheme or the self-employed in a trade or profession. You have to set up your own contributions and claim tax relief each year. Contact the Revenue Commissioners for more information.
Can my employer contribute?	No, not usually. Usually you have to set this up yourself, pay your own contributions and claim your own tax relief.
When can I take my benefits?	Between the ages of 60 and 75. There is no requirement to retire before you take your benefits.
Level of benefits	Like PRSAs the value of your pension on retirement is not defined and depends on the contributions built up plus any growth minus charges.
Charges	There is no limit on charges for personal pension plans. The charges would generally be higher than those on standard PRSAs.

Tip!
If you work in a family business you may want to consider setting up a **Small Self-Administered Pension Scheme (SSAPS)**. This is a type of occupational scheme with less than 12 members. It can also be used for groups of company directors. The scheme is self-administered, which means that you do not buy a pension from an insurance company and you decide yourself what the **pension fund** will be invested in. More information is available on **www.ccpc.ie**, the Revenue Commissioners' website **www.revenue.ie** or the Pensions Authority's website **www.pensionsauthority.ie**

Your pension lifecycle – planning it and managing it

Starting out

- **Work out what kind of income you want** when you retire, over and above the State pension. Then consider if you need to provide for other dependents. Allow for any other assets that you may have, that you can use in retirement such as investment property, savings and investments. Although you may think that in retirement some costs will reduce, be aware that other costs may increase, for example, medical and health care costs, etc.
- **Think about what this could cost** and use the pension calculator on the Pensions Authority's website www.pensionsauthority.ie to help you work out what you may need to contribute.

Early – mid career

- **Keep up to date on what your expected pension benefits will be.** Ask for valuations. If you have a defined contribution plan or personal pension plan (after February 2001), you get a statement once a year. Members of defined benefit plans can get a similar statement from the trustees of their fund. If you have a PRSA, you should get an annual statement of reasonable projection and a six-month report on the performance of your fund.
- **Review your pension fund regularly and increase your contributions if you need to** and if you can afford it. Ask about making **additional voluntary contributions (AVCs)**. If you are a member of the public sector pension scheme you should ask about purchasing notional service years and also compare against the costs, risks and benefits of AVCs. You can get more details from the Irish Civil Service Pensions Information Centre's website, www.cspensions.gov.ie. Remember, if your employer does not offer AVCs, you can set up your own PRSA as an AVC.

Tip!

Are you thinking about changing jobs or your work (time) arrangements or cannot work for a period of time (due to travel or illness, etc.)? If so, read our information on the impact it may have on your pension and what you have to do, on pages 149-151.

- Check www.revenue.ie for up-to-date information **on tax relief on pension contributions**.
- **Check if you are eligible to join your employer pension plan and whether the scheme is defined benefit or defined contribution.** If there is no employer pension plan in place, your employer has to make a standard PRSA available to you.
- **See what investment options are available to you** (usually involving a mix of shares, property, **bonds** and cash), if you can switch between funds and if you will be charged for doing it. If you have an employer pension plan, it is likely that your investment funds will be chosen for you.
- **Find out what fees and charges will apply to your fund** both initially and yearly and if your contributions will increase each year in line with inflation.
- **Ask how flexible your plan is** and if you can stop paying contributions for a time, increase or reduce your contributions.
- **Find out what the estimated future value of your pension is (if your plan is defined contribution)**, assuming a set rate of fund growth each year.
- **See if there are any death-in-service or disability benefits for you**, if this is important for you. And you may want to consider additional measures if you need to provide a pension for your dependants after you die.

Eight -10 years before retirement

- If you have a personal pension, as you approach eight to 10 years to go to retirement, your funds should start to be moved to what are seen as less risky investments and you should check that this happens. You should get financial advice if you need it.
- Don't forget to check if you are eligible for the State pension by contacting the Department of Employment Affairs and Social Protection at www.welfare.ie.

Pre-retirement

- **Research your benefit options** so that when you reach retirement you are prepared to make the right choice for you. A summary is provided on page 146 to help you get started. Talk to the HR or pensions department at work, your pension provider or seek advice from a **financial advisor** before you make any decisions.

Options at retirement

Pension type	Benefit options
Employer pension plans	You can take part as a tax-free lump sum (up to certain limits). You may be able to use the remainder to: • take a pension for retirement (on which you have to pay income tax). • transfer it to an **approved retirement fund (ARF)** or an **approved minimum retirement fund (AMRF)**; Check www.finance.gov.ie and www.revenue.ie for more information.
Employer AVCs (if you use to boost your pension)	You can take part or all as a tax-free lump sum (up to certain limits). You can use the remainder to: • increase your basic pension; • transfer it to an **ARF** or to an **AMRF**;
Personal pension plans and PRSAs	You can take 25% of your retirement fund as a tax-free lump sum (up to certain limits). With the remainder of the fund you can buy: • an **annuity**; • an **AMRF**; Or if you already have a certain amount of yearly pension from another source you can: • invest in an **ARF**; • take as cash – taxed as income. Check www.revenue.ie for more information.

Get more information on your options at retirement at www.ccpc.ie.

Get more information on taxable income and **tax relief** thresholds at the Revenue Commissioners' website www.revenue.ie.

Tip!
Don't forget about pensions that you had before, for example, a work pension that you had with an old employer. Contact the pensions' trustees in your old job to get more information.

Post retirement

Remember that your pension payments are taxable as income. If you have received a tax-free lump sum that you want to save or invest, consider contacting a **financial advisor** if you think you need help making a decision (read information about saving and investing options on page 43).

Use our online lump sum deposit cost comparison www.ccpc.ie to find out more about the current rates and charges, so you can get a good deal. Our website also has information on **equity release** products, and money saving and budgeting tips for seniors.

Getting financial advice

Whether you are starting out or about to retire, you may want to consider getting financial advice to help you decide how best to plan for your retirement, to consider what type of pension you may need, to help you administer any existing pension plans, to help you choose/manage investments associated with your pension fund, or to help you take decisions on your pension benefits. See page 55 for more information on dealing with your advisor. Don't feel pressurised and take time to understand the issues so that you make the right decisions for your future.

Your checklist

- Work out how much of a pension you want and what contributions you need to make.
- Get information on your investment options.
- Review the progress of your plan regularly, to see if you need to make more contributions.

Useful tool

Changing circumstances/changing your pension

The below gives you some initial information on what happens to your pension if your circumstances change. You can get more detailed information on www.ccpc.ie

Change work arrangements* *For example, taking a career break, moving to part-time employment, job sharing, or taking extended maternity leave.	
Employer pension plan	Ask your employer what effect, if any, your new arrangement will have on your retirement benefits. If you envisage a shortfall, you should consider topping up your benefits with AVCs or NSP depending on your circumstances.
Personal pension plan	Some personal pension plans allow you to stop paying contributions for a time or to increase or reduce your contributions, although this may be subject to a minimum level of contribution and a charge.
PRSA	You are free to stop, start, increase and decrease your contributions at any time, although your PRSA provider may require prior notice of a change.

Redundancy or move jobs	
Employer pension plan	Within two months of leaving the pension scheme you should receive a 'leaving service options letter'. If you were less than two years in your employers pension plan (depending on the rules of the scheme), you may be able to get back any contributions you made to the plan in cash, though you will have to pay income tax on it. If you have been in the pension plan for two years or more, you usually have to leave your pension benefits. These are preserved until you reach retirement age so make sure to take details before you leave. Or you may be able to transfer your benefits to a PRSA, an approved insurance policy or contract such as a **buy-out bond**, or new company pension scheme.
Personal pension plan	Some plans allow you to stop paying or reduce your contributions (subject to limits). You can continue to hold on to your pension if you move to another job or start working for yourself. You will not get **tax relief** on any further contributions you pay to your personal pension plan, unless you have new self employed earnings, or you move to a job where an employer pension plan is not available to you.

PRSA	You can move a PRSA from one job to another. You can't get tax relief if you're not working and paying tax and if you get a new job make sure your contributions stay under the revenue threshold for tax relief. You are free to stop, start, increase and decrease your contributions at any time, although your PRSA provider may require prior notice of a change. If you don't pay into a PRSA for two years or more, and the balance is less than €650, then the PRSA provider can cancel your PRSA and refund the balance to you, less tax. The provider has to give you three months notice before doing this.
Illness (cannot work)	
Employer pension plan	Some employers provide an enhanced ill-health pension for their employees if they have to retire early due to bad health. Or you may be able to buy private **income protection insurance** – see page 67.
Personal pension plan	If you are unable to work for a time, you can stop all contributions to your personal pension, or reduce them. If your situation is more permanent, you may be able to draw on your personal pension plan or PRSA.
PRSA	

Tip!

- Use the pensions calculator on **www.pensionsauthority.ie**
- Do some research.
- Ask for valuations if you do not already receive them.
- Don't sign anything unless you have read and understood it.
- Check **www.ccpc.ie** for options at retirement.

Retire early Your retirement benefits will be much lower than if you waited to take them at your usual retirement age.	
Employer pension plan	If the pension trustees and your employer agree, you may be able to retire from 50 onwards.
Personal pension plan	Generally you need to be 60 or over before you can start taking benefits (unless your occupation is one where people usually retire before age 60).
PRSA	You may be able to take your benefits if you retire early at the age of 50 or over.
Die	
Employer pension plan	Your plan will have rules about what the fund will pay out to your dependants if you die while you are still employed. A lump sum can be paid, up to a maximum of four times your salary, at the date of death.
Personal pension plan PRSA	The value of your plan passes on to your estate for the benefit of your dependents.

Making a complaint

Making a complaint against a financial service firm

Three-step plan to making a complaint

If you are not satisfied in your dealings with a financial services firm or a pensions' administrator, you have the right to complain.

Note

The following steps refer to general complaints procedures. For more information about complaints that relate specifically to mortgage arrears, see page 123.

Step 1

Try to sort out your complaint with your provider first. Talk to the person that you normally deal with. Explain the problem and state clearly what solution you want, for example, an explanation, apology or specific action. Tell them how they can fix the problem for you. Your provider must tell you about their complaints process if you wish to use it.

Step 2

Complain to your provider in writing. Ask for the name of the person you can contact to make a complaint. Send your complaint in writing and outline the facts, relevant dates and names of people you have dealt with (include copies of all relevant documentation). Again be as clear as you can about the solution you want.

All companies subject to the Central Bank of Ireland's Consumer Protection Code must:

- within five working days, acknowledge receipt of your complaint and give you the name of who to contact about it;
- within 20 working days, let you know how your complaint is progressing; and
- within 40 working days, make a decision on your complaint, and if they cannot make a decision, let you know how much longer it will take and let you know that you can go to the relevant Ombudsman.

If your complaint is not resolved or it is 40 days since you made the complaint, then you can move to Step 3.

Step 3

Depending on your complaint you can refer to the Financial Services and Pensions Ombudsman. This service is provided free of charge. You also have the option of engaging a solicitor or pursuing the matter through the courts.

The Financial Services and Pensions Ombudsman looks at complaints against banks, building societies, insurance companies, intermediaries, pawnbrokers, moneylenders, bureaux de change, hire purchase providers, health insurers and pension providers.

If you are not satisfied with your provider's response, you must submit their final response to your complaint to the Ombudsman who may be in a position to investigate your complaint further.

Any decision made by them is binding on you and the provider. The Ombudsman weighs up the evidence from you and your financial provider, and recommends a solution or may give you compensation if you have suffered financial loss or other loss.

If you or the provider are unhappy with the Ombudsman's decision then you can appeal that decision to the High Court not later than 35 days of the date of notification of the finding of the Ombudsman.

Note

The CCPC does not investigate individual complaints. However, we can give you information and guidance to help you.

Your checklist

- Try to sort out the issue with your provider first – make sure you talk to them.
- If you don't get the answer you want, make a formal written complaint to your provider.
- If you still don't get things resolved, refer your complaint to the Ombudsman.

Useful Information

Jargon Buster

Jargon buster

Accidental death benefit

This is a benefit included on some life insurance policies. A life insurance policy doesn't come into legal effect until you pay the first premium to your insurance company. Some insurers offer 'accidental death' benefit from the date they receive your application form. This means that if you die suddenly before the policy is issued the life company will either pay out the sum assured or a certain percentage of it, up to a specified limit.

Additional voluntary contributions (AVCs)

AVCs are extra contributions you pay in addition to the normal pension contributions you or your employer make (if you are a member of a company pension plan). AVCs help to increase the value of your pension fund or can be used to contribute to a tax-free lump sum at retirement. If you are earning an income, you can claim tax relief on AVCs up to certain limits.

Annual equivalent rate (AER)

AER shows you what the interest on a savings account would be if the interest was compounded and paid out to you each year (instead of monthly or over any other period). You may earn less than the AER because your money may not be invested for as long as a year. Sometimes firms use **Compound Annual Rate (CAR)** instead of AER on savings and investment products.

Annual percentage rate (APR)

The APR is the annual rate of interest you will be charged on a loan. It takes account of all the costs involved over the term of the loan, such as any set-up charges and the interest rate. You can use the APR to compare different loans, as long as you compare them over the same term, for example three year loans.

Annual percentage rate of charge (APRC)

The APRC is the annual rate of interest you will be charged on a mortgage. It takes account of all the costs involved over the term of the mortgage, such as any set-up charges and the interest rate. You can use the APRC to compare different mortgages, as long as you compare them over the same term, for example 30-year mortgages.

Annuity

A contract with a life insurance company that will pay you a guaranteed, regular pension income for the rest of your life in return for you paying them a lump sum when you are ready to retire. You can choose a type to suit your needs (for example, one that stops when you die or gives a post-death income to your dependents, etc.). The amount of pension income you get depends on the size of the lump sum, annuity rates at the time, your age, gender and state of health. Charges are lower than with an ARF (see below), but once you take the pension it's fixed and cannot be changed.

Approved minimum retirement fund (AMRF)

Similar to an ARF but you can only withdraw 4% or your original capital per year in addition to any growth in value the fund may deliver. The remainder of the capital in the fund cannot not be accessed until you reach the age of 75 or you reach a minimum requirement for income.

Approved retirement fund (ARF)

An Approved Retirement Fund (ARF) is a personal retirement fund where you can keep your pension invested as a lump sum after retirement. You can withdraw from it regularly to give yourself an income, on which you pay income tax. While it is designed to grow in value, your original investment is not guaranteed and can run out.

Balloon payment

This is a large final payment due at the end of some hire purchase agreements including car finance deals. It is used to keep monthly repayments lower and must be paid to finish the agreement and allow you to become the owner of the goods.

Buy-out bond

If you leave or move jobs, you can transfer the value of your employer pension to an individual fund, where your money grows tax free, until you retire. This fund usually invests in a mix of assets including property, stock, cash and bonds. You can also choose to transfer the money to a personal pension plan instead.

Bonds

Some life insurance companies offer guaranteed bonds which provide either a guaranteed return of the investment amount at the end of the term, together with a guaranteed level of the bonus or a guaranteed level of income for the term of the bond, usually five years, together with a guaranteed return of the investment amount at the end of the term.

Capital risk

A risk to the initial sum saved or invested, if you invest in the stock market you have a 100% capital risk as there is a possibility you could lose all of your initial investment. Most savings and deposit accounts have very little or no capital risk.

Chargebacks

A chargeback is a reversal of a disputed sales transaction on a credit or debit card. For example, you can contact your card provider to ask them to refund the cost of a purchase if you paid for goods you did not receive or never ordered, or if a business fails to cancel recurring payments. The card provider will decide if you are entitled to a refund based on the circumstances.

Different providers have specific timeframes and conditions attached to their chargeback facility.

Children's protection benefit

This is a benefit included on some life insurance policies. In this case, when you take out life cover for yourself, your children are also covered up to a smaller specified amount.

Commission

This is a payment that a financial services company gives to a financial intermediary, such as broker or financial advisor for selling their financial product.

Compound annual rate (CAR)

CAR is a measure of the rate of return on a deposit or investment. You can use it to compare different accounts.

Contents insurance

This insurance covers the loss or damage of property within your home. For example, furniture, clothing, personal possessions, etc. Contents cover is a separate type of insurance to buildings insurance, which covers the structure of your property.

Credit history

This tracks your record in repaying loans. Most lenders use the Irish Credit Bureau and Central Credit Register to check your credit history. It keeps files on individual borrowers, and uses the information it gets from lenders to build up each borrower's credit history.

Credit reference agency

A credit reference agency maintains information about individual borrowers' credit histories.

Credit scoring

When you apply for a credit card, current account, personal loan, hire purchase agreement or mortgage, the lender will award you points or marks based on your credit history and on your answers to questions on the loan application form. The total score you get helps the lender predict how big a risk they are taking by giving you a loan and what size loan to give you.

Death-in-service benefits

If your employer pension plan has death-in-service benefit, the benefit is the amount paid out to your dependants if you die while you are still employed.

Debt consolidation

This means taking out a single loan to pay off a number of other loans. Also called ‘wrapping up your debt’, sometimes into a mortgage, to pay off individual smaller loans.

Deposit interest retention tax (DIRT)

This is a tax you pay on any interest you earn on money deposited in a financial institution. Most financial institutions automatically take it from the interest it pays to your account and pass it over to the Revenue Commissioners. Check www.revenue.ie for current rates.

Digital/crypto-currency

A digital or crypto-currency is a currency that is held and traded online and is not a physical currency. There are no notes or coins. It exist only in electronic form on computers. Bitcoin is one of the most widely-known and used crypto-currencies. Crypto-currencies are not regulated and don’t have any of the protections that regulated currencies and investments have.

Direct debit
This is a payment taken from your account by a third party to whom you have given written permission to do so. You may, for instance, give the ESB permission to withdraw variable amounts of money to pay your electricity bill. To stop a direct debit contact the third-party supplier in writing, in this case the ESB, and your bank to let them know you want to cancel the payment.

Disposable income
Amount of money you have left after tax and other expenses.

Driver personal accident cover
This provides limited cover for death or loss of sight or limbs as a result of a car accident.

Dual life policy
This is a life insurance policy that provides cover for two people and continues after the first person dies. It pays out benefit on each death.

Equity release
These are schemes that allow you to release some of the equity, or the value you have built up in your home, without having to move out or sell it. Certain schemes are available to older homeowners in the form of 'life-time loans' or 'home reversions'.

Excess
This is the first part of any insurance claim that you have to pay yourself. It is usually a fixed sum. Remember for home insurance a subsidence excess will be a much higher amount (typically €1,000). For motor insurance you may not have to pay any excess on certain types of claim such as windscreen replacement on a motor policy. Excess is often called standard excess on many insurance policy documents.

Financial advisor

A regulated financial advisor is someone who is authorised by the Central Bank of Ireland to give advice to individual members of the public. Advisors can either be 'tied' and only able to advise on products of their employer or they can advise on several products. Some advisors can offer wider services than others so be sure to check. It is important when selecting an advisor that you understand how they are being paid for the advice that is being given to you and what impact any commission being paid will have on your pension or investment.

Guarantor

This is a person who agrees to pay off a loan if the borrower fails to pay. If the person who takes out the loan stops repaying, the guarantor is liable to repay the loan and this may have an effect on the guarantor's credit rating.

Hire purchase

Hire purchase means that you pay for the hire of goods over a set period of time, with a view to owning them eventually. You pay back a set amount of money at a fixed rate of interest. You pay this by instalments of a set amount each month.

Income protection (or permanent health insurance)

Insurance that pays you a monthly income if you're unable to work due to illness or injury. It can pay you up until you are able to return to work, or retirement, whichever is sooner.

Indemnity bond

An indemnity bond is a type of insurance policy that can be taken out by a lender when they give you a mortgage. The policy insures the lender against making a loss if they repossess your property and the house is worth less than the outstanding amount of the mortgage. When you take out a mortgage some lenders may charge you for indemnity bond costs.

Inflation risk

The risk that your money will lose value over time. Your buying power goes down as prices increase. You need to earn more than the inflation rate to get a real return on your money. See www.cso.ie for current rates of inflation.

Investor Compensation Scheme

The investor compensation scheme pays compensation, subject to certain limits, to eligible consumers if an authorised investment firm fails. You can get more information about the scheme from the Investor Compensation Company at www.investorcompensation.ie.

ISEQ

An index of the leading shares quoted on the Irish Stock Exchange.

Joint life policy

This is a type of life insurance policy that covers two lives, such as you and your spouse, child or business partner. It pays out the benefit only once, if either you or your partner dies while the policy is in force.

Letter of closure

If you are closing your credit card you should ask your credit card provider to send you a 'letter of closure', which confirms that you have paid the stamp duty on the account. Once you receive this letter you should send it to your new bank to avoid getting charged for stamp duty twice. Your letter of closure is an important document so keep it somewhere safe and before you send it to your new bank, make a copy of it.

Loan to value

This is a percentage representing the amount you borrow or owe on a mortgage relative to the market value of the property.

(Loss) adjuster
An adjuster is a person is employed by an Insurance company to decide how much money should be paid to a person making the claim.

(Loss) assessor
An assessor is a person you pay to work on your behalf and to negotiate with your insurance company to settle your claim.

Mortgage repayment protection
Repays your mortgage for a certain time (usually one year) if you're unable to work due to an accident, sickness, hospitalisation, compulsory redundancy or serious illness covered by the policy.

Negative equity
This term is used to describe a situation where the market value of your house is less than the balance you owe on your mortgage.

Notional Service Purchase (NSP)
If you are a member of the Civil Service or public sector pension schemes and are likely to have less than 40 years service by your minimum retirement age, you can top up your benefits through Notional Service Purchase (NSP). This means buying back missing years of service by lump sum or a regular payment, which could be a percentage of your salary. You should firstly consult your HR department or pension administrator for information, as NSP is arranged between you and your employer.

Open driving
This means that other people driving your car with your permission are covered by your policy (usually only for third party, fire and theft) as long as they hold a valid driving license.

P60
At the end of the year your employer will give you a P60 certificate, which is a statement of your pay and of the tax and PRSI deducted by your employer during the year.

Payment breaks

Some lenders may agree to a payment break or moratorium on your loan repayments when you need extra cash. If you take a payment break, your lender will usually add the total postponed payments onto your mortgage balance. As a result, your repayments will increase afterwards in order to keep the term of your mortgage unchanged.

Pension fund

This is the value of your pension made up of payments into the fund and any growth that it has earned. Any fees and charges you have to pay will reduce the value of your fund.

Personal Contract Plan (PCP)

Similar to hire purchase, a Personal Contract Plan (PCP) is an agreement between you and a finance company/bank that usually lasts between three and five years. You pay a deposit (or use your existing car as a trade-in), make monthly repayments for the agreed period, and then make a final payment at the end of the term called the guaranteed minimum future value (GMFV) or “balloon payment” which must be paid in order for you to own the car. This means that you do not actually own the car during the PCP term, so you cannot sell the car if you run into problems making your repayments. At the end of the agreement you can pay the GMFV and keep the car, hand back the car and make no further payments or trade in the car (the value you get for this trade in is at the discretion of the finance company/bank) and enter into a new PCP agreement.

Pooled investment

A pooled investment (also called a collective investment) is one where many people put in different amounts of money into a fund, which is then invested in one asset or a mix of assets such as shares, property, bonds or cash. A professional fund manager picks the investments and chooses when to buy and sell them. The main benefits of pooled investments are that you can spread your risk, choose from a range of different funds and have lower dealing and administration costs.

Return
The amount of profit (or loss) that you will make from a savings or investment. Not all savings and investments guarantee what return, if any, you will get.

Secured loan
When a loan is secured on an asset, usually your home or car, the lender can repossess this asset and sell it to get their money back if you don't keep up your repayments.

Stamp duty (cards)
You must pay a yearly stamp duty on ATM, credit and debit cards. www.revenue.ie has more information on current rates.

Stamp duty (property)
This is a tax you pay to the Government when you buy a property. A rate applies depending on the size and purchase price of the property and whether you are a first time buyer. For information on property stamp duty go to www.revenue.ie.

Stamp duty (share dealing)
You must pay a once-off tax when you buy shares in Ireland. For current rates check www.revenue.ie or ask your stockbroker.

Standing order
This is an instruction you give to your bank to make regular payments out of your account to another account. Unlike a direct debit, you instruct your bank directly about how much is to be paid and the amount is fixed and can only be changed by you.

Step back bonus protection
If you have this protection and you claim on your car insurance, you will only lose part of your no-claims discount.

Sum assured
Also known as the policy benefit, this is the amount of money you could receive if you have a successful insurance claim. With a life insurance or serious illness policy, you choose the sum assured.

Surrender value
This is the amount you will get if you cash in or cancel your investment policy early. This value is usually lower than the value of the policy when it matures.

Tax relief
A tax relief reduces the amount of tax that you have to pay. Information on tax reliefs is available on www.revenue.ie.

Term insurance policy
This is an insurance policy that pays out a fixed benefit if you die within a certain number of years (the term of the policy).

Trustee
If you have an occupational pension, in most cases your employer will choose a person or company to act as trustee and manage your pension plan.

Unsecured loan
Unlike a secured loan, the loan is not linked to your home or other assets, but you are still responsible for repaying it.

Voluntary surrender
When you cannot afford your repayments on a hire purchase agreement your only option may be to surrender the car by signing a voluntary surrender form. The finance company will calculate how much you owe, sell the car and you must cover the shortfall.

Useful Contacts

Useful contacts

Do you have an issue but don't know who to contact? It can be hard to know which organisation can help you with your query. Below are some of the organisations featured in this handbook, what their role is and their website details:

Organisation	Role	Website
Banking & Payments Federation Ireland (BPFI)	The BPFI is the representative body for the banking and payments industry in Ireland and represents over 70 domestic and international member institutions.	www.bpfi.ie
Central Bank of Ireland	The Central Bank of Ireland is responsible for financial regulation. It is responsible for protecting the best interests of consumers of financial services.	www.centralbank.ie
Central Credit Register	The Central Credit Register is a centralised system for collecting personal and credit information on loans. The Central Bank of Ireland is in charge of operating the Register.	www.centralcreditregister.ie

Organisation	Role	Website
Citizens Information Board	The Citizens Information Board gives information, advice and advocacy on a broad range of public and social services.	www.citizensinformation.ie
Commission for Communications Regulation (ComReg)	ComReg regulates the electronic communications sector (telecommunications, radio communications and broadcasting transmission) and the postal sector.	www.comreg.ie
Department of Employment Affairs and Social Protection	The Department of Employment Affairs and Social Protection oversees Ireland's welfare system – including income support, social welfare payments and other social services.	www.welfare.ie
European Consumer Centre Ireland (ECC)	ECC Ireland is a member of the European Consumer Centre Network, which helps consumers across Europe who have had issues when shopping in another European state.	www.eccireland.ie

Organisation	Role	Website
Financial Services and Pensions Ombudsman	The Financial Services and Pensions Ombudsman is an independent service that helps resolve complaints with pension providers and regulated financial service providers.	www.fspo.ie
Free Legal Advice Centres (FLAC)	FLAC is an independent voluntary organisation that promotes equal access to justice for all. They offer free and confidential legal information and advice to the public.	www.flac.ie
Health Insurance Authority (HIA)	The HIA is the independent statutory regulator for the private health insurance market in Ireland. Their website allows you to compare the benefits and prices of all private health insurance plans available on the Irish health insurance market.	www.hia.ie

Organisation	Role	Website
Investor Compensation Scheme	The investor compensation scheme pays compensation, subject to certain limits, to eligible consumers if an authorised investment firm fails.	www.investorcompensation.ie
Insolvency Service of Ireland (ISI)	The ISI is an independent government organisation set up to help consumers sort out personal debt problems and help get people back on track.	www.isi.gov.ie www.backontrack.ie
Insurance Ireland	Insurance Ireland represents companies providing insurance domestically in Ireland and internationally from Ireland. If you are refused motor insurance cover by three or more companies you can contact the Declined Cases Committee of Insurance Ireland.	www.insuranceireland.eu

Organisation	Role	Website
Irish Credit Bureau (ICB)	The ICB is the one of the two sources of credit-referencing in Ireland. It is a private organisation, owned and financed by its members.	www.icb.ie
Irish League of Credit Unions	The Irish League of Credit Unions is the largest credit union representative body on the island of Ireland. Their website has information on credit unions and the services they offer.	www.creditunion.ie
Legal Aid Board	The Legal Aid Board is an independent, publicly funded organisation providing civil legal aid and advice, family mediation services.	www.legalaidboard.ie
Money Advice and Budgeting Service (MABS)	MABS provides free and confidential help for people who are having problems with money management and debt. It operates from local offices nationwide.	www.mabs.ie

Organisation	Role	Website
Office of the Ombudsman	The Office of the Ombudsman investigates complaints from people against certain public bodies, for example, government departments and agencies, local authorities, and publicly funded third-level education bodies.	www.ombudsman.ie
The Pensions Authority	The Pensions Authority is responsible for the proper administration of pension schemes and the protection of pension rights for people living in Ireland.	www.pensionsauthority.ie
Personal Injuries Assessment Board (PIAB)	PIAB is Ireland's independent state body which assesses personal injury compensation.	www.piab.ie
Revenue Commissioners	Revenue is responsible for collecting taxes and duties and implementing Customs controls.	www.revenue.ie

Organisation	Role	Website
Society of Chartered Surveyors Ireland	The Society of Chartered Surveyors Ireland is the independent professional body for Chartered Surveyors working and practicing in Ireland.	www.scsi.ie
Sustainable Energy Authority of Ireland (SEAI)	SEAI is Ireland's national sustainable energy authority. Its role is to help homes, businesses, communities, and industry to be more energy efficient. It manages the Building Energy Rating (BER) scheme.	www.seai.ie

We try to ensure that the information in this guide is correct at time of print. It is intended to provide general information only. For up-to-date information please visit our website www.ccpc.ie

ccpc.ie

Consumer helpline 1890 432 432

CCPC

Coimisiún um Iomaíocht agus Cosaint Tomhaltóirí

Competition and Consumer Protection Commission