

A stack of gold coins is placed on top of a person's head. The person's face is visible at the bottom of the frame, looking upwards. The coins are stacked high, and the top coin is clearly visible, showing a profile of a person's head. The background is a light blue gradient.

# Thinking about how to manage your money?

Dealing with money is one of the most difficult things we have to do in life. If we don't manage our money, we can find ourselves running into all sorts of problems.

The aim of this leaflet is to help you get to grips with some of the basics of managing your money while you are in prison and preparing for release. This leaflet can also be helpful if you are serving your sentence in the community.

If you need to know more, speak to your personal officer or offender manager about financial problems. They will provide you with more detailed information and refer you to organisations that can help you.

## Looking after your money

Most of us have heard stories about people stashing their money under their mattress, but there are better and safer places to keep your money. The best place to keep your everyday money is in a bank, building society or credit union account.

If you have a bank, building society or credit union account open, **do keep a small amount of money in the account so that the account is ready for use on your release.** Overdrafts will not go away while you are in prison, so it is a good idea to get help on how to sort out your account ready for you to use on your release.

If you do not have an account of any sort you should speak to your personal officer or offender manager about how to open a bank or credit union account whilst you are serving your sentence. Access to this account will be limited (via postal services) and you will not have access to a loan while you are serving your sentence. If you like you can contact any bank, credit union or building society to open an account on your own.

## Why is it a good idea to open a bank, credit union or building society account?

Putting your money into an account will keep it safe. You will need an account to have your benefits or wages paid straight into, and also any allowances you may receive for learning or training. Opening an account will also provide you with a useful form of personal identity, which may be helpful to you on your release.

### With a bank account you get:

- a cash card to withdraw money (you can only take out the money you have in your account);
- a debit card with either the Solo or Electron logo on it (you can use this to spend money in shops, over the phone or on the internet, but you can only spend what you have in your account);
- the opportunity to set up direct debits and standing order payments, which let you pay for things like bills straight from your account on a regular basis;
- regular statements, which are a record of what you have spent and saved so you can keep track of where your money is going.



## How do I open a bank or credit union account?

The bank or credit union will help you to complete an application form and you will have to provide (by law) proof of your identity. Banks, credit unions and building societies accept the following documents as proof of your identity:

- passport
- driving licence
- utility bill
- benefit documentation
- a letter or person identification document signed by your prison governor, hotel manager or social worker.

## What is a credit union?

Credit unions are great for people on low incomes and people with poor payment records (credit history). They also welcome people like you who haven't built up a credit history yet. They are financial organisations run in the community by the community and they offer a place to save your money regularly, even in small amounts.

## How can I manage an account while I am in prison?

You can appoint a relative or friend to manage your account while you are away. To do this you will have to sign a 'Letter of Authority', which confirms the name of the person you appoint to manage your account and make sure things like new plastic cards and statements don't get lost. Your personal officer will be able to give you advice on putting together a 'Letter of Authority'.

## What should I do if I have debts?

If you spend more money than you have, you end up getting into debt. Debts tend to grow and there can be serious consequences for not paying them back. When you begin your sentence you may owe money for purchases from catalogues or borrowing from a friend, bank, or not paying for a phone contract or credit card.

**REMEMBER THAT THESE  
DEBTS DON'T GO AWAY  
WHILE YOU ARE INSIDE**



Ask your personal officer or offender manager to refer you to an organisation within the prison that can give you advice on dealing with debt. You can work with this organisation to make a repayment plan at a rate you can afford (even if it is only 50p per week).

## What is the difference between cash, debit, credit and store cards?

Plastic cards are now the most popular way to pay for things and to withdraw cash from your account. Each card is allocated a Personal Identification Number (PIN) which you have to use when you pay for goods and services, and when you withdraw money from a cash machine.

**THE LONGER YOU TAKE TO PAY  
BACK WHAT YOU OWE THE MORE  
YOU WILL PAY IN THE END**

- **A cash card** allows you to take money out of a cash machine only.
- **A debit card** can be used to take money directly from your bank or building society to pay for goods; for example, in shops or online. You can also withdraw money from a cash machine. In all cases, the amount is deducted from your account straight away. If you do not have enough money in your account and, depending on the type of card you have, you will either not be able to access any money (i.e. Solo or Electron cards), as your account is checked before each transaction, or your bank will charge you interest (i.e. Switch, Visa or Delta card holders).
- There are also **credit** and **store cards** which incur interest on a monthly basis. It is best to avoid using these cards if you have had problems managing your money in the past, as they allow you to buy goods which you pay for later on when your credit-card bill arrives. Interest is added every month to anything you haven't paid back.

## There are other ways of paying for goods or services

Buying the latest trainers or the biggest TV a little at a time may seem like a good plan, but it can quickly lead to a really large debt if you have no money to pay one week. You will also be paying a high interest rate on these purchases.

It is best to avoid buying items from catalogues, on hire purchase (HP) or Christmas Clubs if you have had problems managing your money in the past. It is always good to shop around for the best buy when you can afford to pay for the item in full.

**IMPROVING YOUR READING,  
WRITING AND NUMBER SKILLS CAN  
ALSO HELP YOU MANAGE YOUR  
MONEY IN THE FUTURE**

## How can I improve my money management skills?

To find out how to take part in learning opportunities that could include money management courses, speak to your personal officer, education department or resettlement team.





# Thinking about how to manage your money?



**now let's talk money**  
helping people get a better deal



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