



INDEPENDENT
FINANCIAL ADVISORS

GUIDE TO

NAVIGATING THE COST OF LIVING CRISIS

*How you can keep the cost of bills
down while inflation is high*

MAY 2022

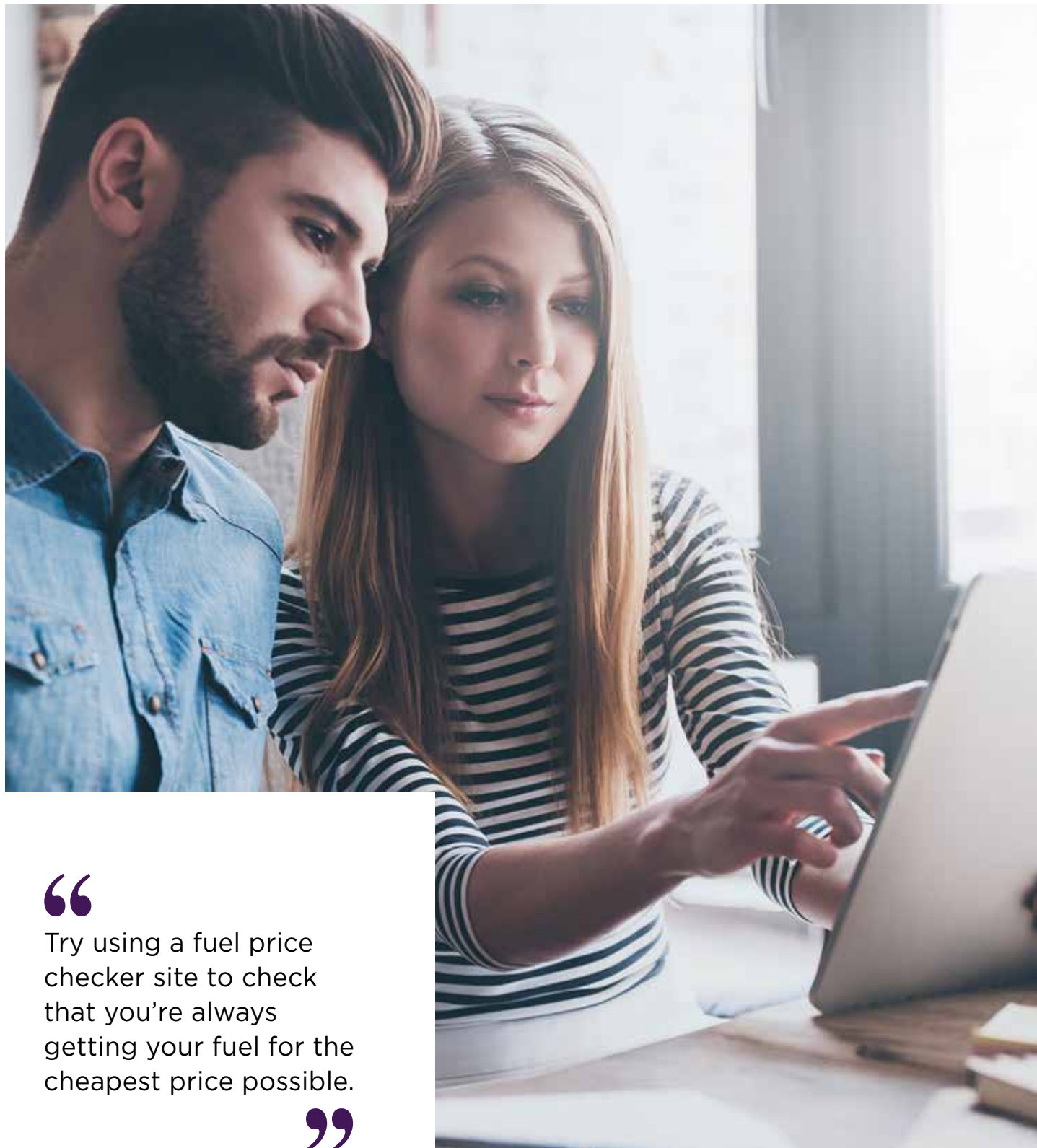


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GUIDE TO

NAVIGATING THE COST OF LIVING CRISIS

How you can keep the cost of bills down while inflation is high

Rising inflation and increases in taxes are set to leave millions worse off in 2022. Households are already grappling with the worst cost of living crisis in a generation but budgets have been further squeezed by a raft of price and tax rises.

Inflation is the highest it has been for 30 years, and no one is immune to the effects of rising costs of energy, petrol, food, as well as tax. National Insurance increased by 1.25 percentage points from 6 April.

10 ways to help manage your finances

1. Save money on your energy bills

If you're finding it hard to pay your energy bills, contact your provider as they should help you with ways to pay, and don't be afraid to ask for help from a debt advice charity if you're struggling.

Switching your energy supplier used to be a good way of saving money on your household bills, but with energy prices soaring, you're probably better off staying on the standard tariff with your existing supplier once your

fixed tariff comes to an end. Some suppliers aren't taking on new customers, and that way you're protected by the energy price cap. The government-backed website – Simple Energy Advice – has tips on how to keep your energy bills down.

2. Save money on petrol

Try using a fuel price checker site to check that you're always getting your fuel for the cheapest price possible. Other ways to save include: driving at a lower speed and avoiding accelerating and braking quickly if you can; making sure your tyres are at the right pressure; and taking out anything heavy in the car that you don't need to carry.

3. Food bills

Grocery bills can make up a big proportion of your household spending so it makes sense to

look for savings. Plan your meals for a week and then write your shopping list – this will help you avoid buying unnecessary items. Consider changing to a cheaper supermarket or to different brands if you prefer a particular supermarket.

4. Water bills

You can't switch water suppliers but there are steps you can take to keep your bills down. Check if you'd save money by switching to a water meter. You can use the Consumer Council for Water's calculator. If you're on certain benefits and have a large family or someone with a particular medical condition, you may qualify for the WaterSure scheme, which caps water bills. Meanwhile, if you're on a low income or receiving benefits, check what additional assistance your water company offers.

5. Council Tax

Depending on your circumstances and who is living with you, you may qualify for a Council Tax discount. For example, you can get a 25% discount if you're the only adult living in the property. Find out what discounts are offered by your local council at GOV.UK.

If you're on a low income or certain benefits you may be able to get a Council Tax Reduction. Your bill could be reduced by up to 100%. There's a different scheme in Northern Ireland.

6. Check if you're entitled to state benefits

Billions of pounds of state benefits go unclaimed each year, and you could be missing out. The national charity Turn2us has a free and confidential benefits calculator on its website (<https://benefits-calculator.turn2us.org.uk/>), which can help you work out which means-tested benefits you're entitled to. It also has a grant search tool (<https://grants-search.turn2us.org.uk/>) for information on grants you may be able to apply for.

7. Find out where your money's going

Start by finding out where your money's being spent. It sounds obvious, but we may not realise exactly how much we're spending each month – and what we're spending it on – until it's laid out in front of us.

Review your last three bank statements and credit card bills (or check online) and spend some time going through them, highlighting any areas where you think you're spending money unnecessarily or spending too much. This could be on anything from a top of the range broadband package that you don't need, to a mobile phone contract where you're paying for data you don't use.

Every month money is wasted on unused subscriptions, with the most common wasted money on gym memberships. A fifth (19%) of UK adults said they planned on cancelling TV subscriptions (e.g. Netflix, Amazon Prime). Even magazine subscriptions of a few pounds a month are money down the drain if you don't have time to read the magazine. Take a few minutes and cancel any subscriptions you don't really use to save yourself a bit of cash.

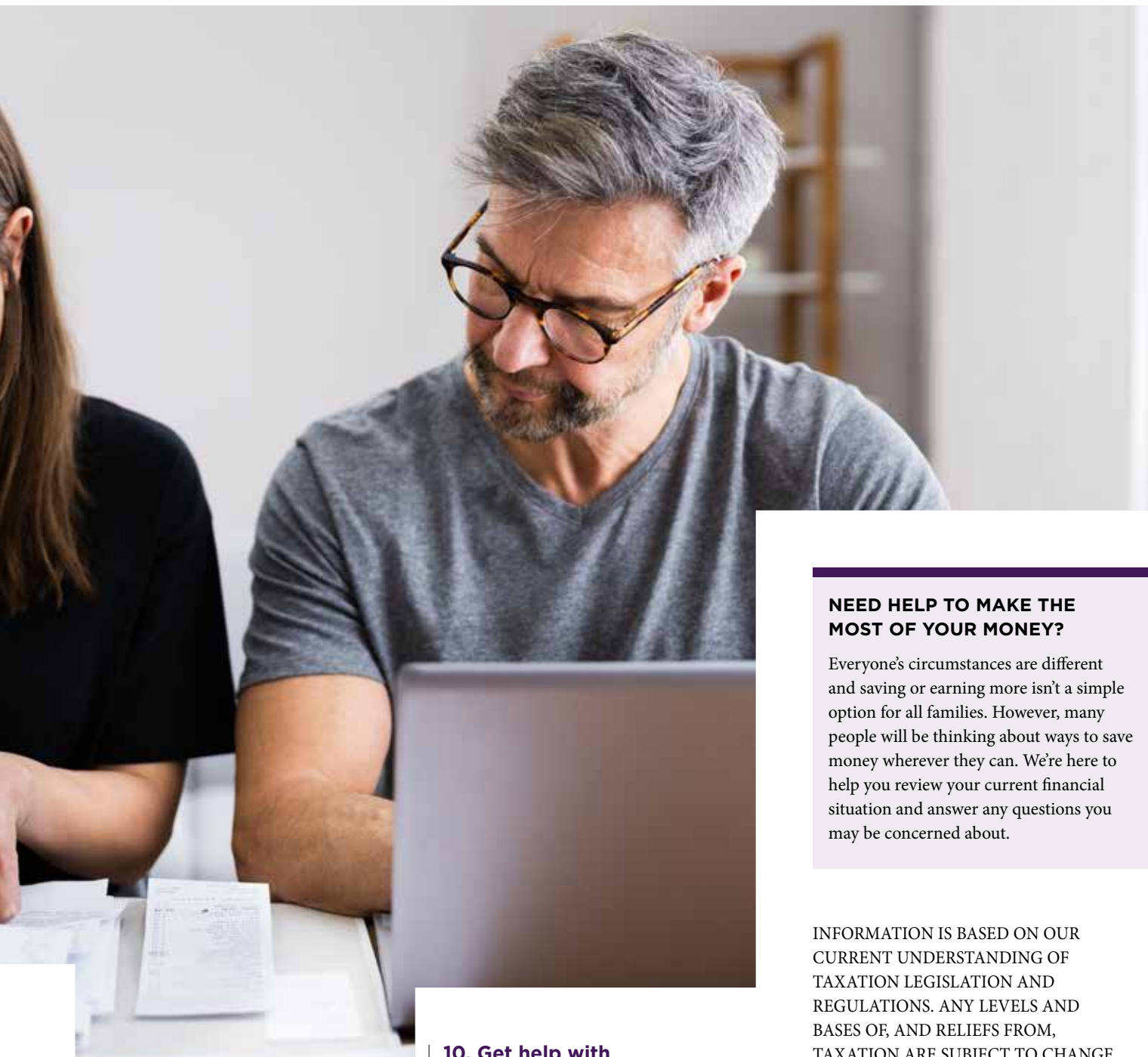


8. Draw up a budget

Drawing up a weekly or monthly budget will help you get your finances under control. It's just a list of money you have coming in and what you spend and it doesn't have to take long to set up. There are plenty of templates online to get you started. Alternatively, budgeting apps can also be used to plan what you want to spend and keep track of it.

9. See if you can pay less interest

If you owe money on an expensive credit card, it may be worth considering whether you can transfer the balance to a credit card charging 0% interest. Although these cards are interest free, you will normally be charged a balance transfer fee of between 1% and 3% of the amount you transfer. Because you won't be charged interest on your balance, more of your money can go to repay what you owe.



These cards aren't right for everyone, and it's important to make sure you can pay off your balance by the time the 0% interest deal runs out. It may also affect your credit score, especially if you do it multiple times.

10. Get help with unmanageable debts

If you are struggling to pay for the essentials, you are using one credit card to pay off another or your debts are causing you worry, then contact a debt advice charity, such as StepChange. They will be able to give you help with your debts, free of charge. ■

NEED HELP TO MAKE THE MOST OF YOUR MONEY?

Everyone's circumstances are different and saving or earning more isn't a simple option for all families. However, many people will be thinking about ways to save money wherever they can. We're here to help you review your current financial situation and answer any questions you may be concerned about.

INFORMATION IS BASED ON OUR CURRENT UNDERSTANDING OF TAXATION LEGISLATION AND REGULATIONS. ANY LEVELS AND BASES OF, AND RELIEFS FROM, TAXATION ARE SUBJECT TO CHANGE.

THE VALUE OF INVESTMENTS AND INCOME FROM THEM MAY GO DOWN. YOU MAY NOT GET BACK THE ORIGINAL AMOUNT INVESTED. PAST PERFORMANCE IS NOT A RELIABLE INDICATOR OF FUTURE PERFORMANCE.

NEED HELP NAVIGATING THE COST OF LIVING CRISIS?

The first thing you need to do is take control of the situation. It's easy to get discouraged when trying to address the rising cost of living and the impact it may have on your everyday life, but it's important that you don't give up!

**If you would like to talk to us about how
we could help, we're here to listen.**

This guide is for your general information and use only, and is not intended to address your particular requirements. The content should not be relied upon in its entirety and shall not be deemed to be, or constitute, advice. Although endeavours have been made to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No individual or company should act upon such information without receiving appropriate professional advice after a thorough examination of their particular situation. We cannot accept responsibility for any loss as a result of acts or omissions taken in respect of the content. Thresholds, percentage rates and tax legislation may change in subsequent Finance Acts. Levels and bases of, and reliefs from, taxation are subject to change and their value depends on the individual circumstances of the investor. The value of your investments can go down as well as up and you may get back less than you invested. All figures relate to the 2022/23 tax year, unless otherwise stated.