

**Get Real with money** develops financial capability and life skills in secondary students and covers learning objectives within the UK financial education curricula. The resource spans six episodes each comprising a short film, a dynamic teacher's presentation, PDF worksheets, and a flexible lesson plan (30, 60 or 90 minute sessions or combine to use on a curriculum/enterprise day).

## EPISODE 5

The financial and 'friend' plot thickens! Your students will delve deep into the tricky world of comparing like for like when dazzled by 'special offers' on handsets, tariffs and loan agreements. They'll also learn about credit ratings, why theirs is important and how to build and maintain a favourable score. The online banking extension will be more than useful for students in planning for the future. It's all brought to life against the backdrop of awkwardness between 'keen to impress' Ben and savvy Amber, with helpful, straight-up Rio waiting in the wings.

## LEARNING OBJECTIVES

- ▶ Students will understand how phone tariffs work, and how to compare contracts and pay as you go deals to get value for money.
- ▶ Students will understand the importance of having a good credit rating.
- ▶ Students will know how to use internet and mobile banking (*extension activity*).

## CURRICULUM LINKS

### 11-14 years

- ▶ Be able to compare the overall 'value' of a range of goods and services using IT tools and comparison websites as appropriate.
- ▶ Understand how emotions can drive financial decisions.

### 14-16+ years

- ▶ Can exercise both my rights and responsibilities as a critical consumer.
- ▶ Make rational decisions based upon my needs or those of others.
- ▶ Know how to minimise risk by tracking and verifying transactions.
- ▶ Have confidence to undertake financial transactions safely, including electronic ones.
- ▶ Know how to make appropriate decisions on whether to buy these products or not.



LESSON BREAKDOWN	TIMING	INSTRUCTIONS
<p><b>Introduction</b> Slide 1: Meet the characters Slide 2: Learning Objectives Slide 3: Play film</p>	<b>5mins</b>	<ul style="list-style-type: none"> <li>▶ Introduce the characters and learning objectives using slides 1-3.</li> <li>▶ Use the film as a group discussion tool:                             <ul style="list-style-type: none"> <li>- What are their thoughts?</li> <li>- Do they think it is realistic?</li> <li>- What would they do?</li> </ul> </li> </ul>
<p><b>Comparing mobile pricing plans</b> Slide 4: Mobile facts</p>	<b>5mins</b>	<ul style="list-style-type: none"> <li>▶ Use Slide 4 to initiate discussion.</li> <li>▶ Discuss different options when choosing a phone. E.g. Sim only, pay as you go, sim monthly deals, monthly phone contracts.</li> </ul>
<p><b>Value for Money</b> PDF 1: Comparing Mobile Pricing Plans - Worksheet (x2)</p>	<b>20mins</b>	<ul style="list-style-type: none"> <li>▶ Handout PDF 1 <b>Comparing Mobile Pricing Plans - Worksheet</b> and ask students to work in small groups to discuss and record the advantages and disadvantages of the four options listed, then answer the questions individually.</li> </ul>
<p><b>Applying for a mobile phone contract</b> Slides 5-6: Credit Rating PDF 2: Credit Rating: Positive &amp; Negative Influences - Worksheet</p>	<b>30mins</b>	<ul style="list-style-type: none"> <li>▶ Referring to Slides 5 &amp; 6 discuss ways to build your credit rating from age 18.</li> <li>▶ Use PDF 2 <b>Credit Rating: Positive &amp; Negative Influences - Worksheet</b> to further explore what can help or hinder a good credit rating.</li> </ul>
<p><b>Extension</b> Slides 7-8: Online banking PDF 3a: Banking Quiz - Worksheet</p>	<b>25mins</b>	<ul style="list-style-type: none"> <li>▶ Discuss online and mobile banking using <b>Teachers' Notes</b> and <b>Slides 7-8</b>.</li> <li>▶ Handout PDF 3a <b>Banking Quiz - Worksheet</b> for students to complete.</li> </ul>
<p><b>Consolidation Quiz</b> Slides 9-11</p>	<b>5mins</b>	<ul style="list-style-type: none"> <li>▶ Use the final three slides to ask questions, check understanding and find out how far learning objectives have been met.</li> </ul>

## ANSWERS

PDF 1: Comparing Mobile Pricing Plans  
- Worksheet

### 1. Suggestions for discussion:

#### a. SIM only £7.50 per month

Advantages

- You can keep your existing phone and get all the minutes, texts and data you need.

#### b. Handset only £64.99

Advantages

- Good if you don't use your phone very often, or only need one for emergencies.
- No contract.

Disadvantages

- Calls, texts etc. tend to be more expensive.
- You can run out of credit at an inconvenient time.

#### c. Contract and phone £9.50

Advantages

- You get a new phone.
- You don't have to top up your phone as you have a set amount of minutes, texts and data.
- Easy to contact friends and family.

Disadvantages

- You have (or an adult) signed a contract which ties you to the network for a set number of months.
- You may not have enough minutes etc.
- You might have a limited choice of phones with this contract.

#### d. Contract and phone £44

Advantages

- Many of the latest phones are available on pay monthly contracts before they're available on pay as you go.
- You'll get more texts, calls and data than you would with pay as you go. Managing your money is hassle free - you don't need to top-up your credit. Payments are made by direct debit, so as long as you don't go over your monthly allowances, you'll always know exactly what you're paying.

Disadvantages

- You are normally tied into a two-year contract.
- If you don't insure your phone and lose it, you have to carry on paying the full amount until the end of you contract.
- You may be paying for things you don't use.

ANSWERS	
	<p>2. 3. 4. Students' opinions.</p> <p>5. If you are worried that you've gone over your allowance, speak to your network provider and ask if they can set a limit on your account, which will stop you spending over a certain level. If you have a smartphone you can download an app to check your usage, check online or call your network provider to keep track and avoid going over your minutes, texts or data allowance.</p> <p>6. 7. Students' opinions.</p>
PDF2: Credit Rating: Positive & Negative Influences - Worksheet	1. P 2. N 3. N 4. P 5. P 6. N 7. N 8. P 9. N 10. N 11. P 12. N 13. P 14. P 15. P 16. N 17. P 18. N 19. N 20. N.
PDF3a: Banking Quiz - Worksheet	See PDF 3b Banking Quiz - Answers.
Slides 9-11: Quiz	<p>1. Call your network provider.</p> <p>2. A credit card.</p> <p>3. (Suggestions) Refer back to Slides 7-8. Report unusual account activity. Don't write your password down or share with it anyone. Make sure your Wi-Fi connection is secure. Never respond to calls or emails asking for your security information.</p>

## FURTHER INFORMATION

### MOBILE PHONES

- ▶ How do I keep my number? You need a PAC (Porting Authorisation Code). This code - from your current network provider - allows you to transfer your current number to a new SIM, it's free.
- ▶ SIM stands for Subscriber Identity Module.
- ▶ When considering what network to go with, use a network coverage checker to make sure you can get a good signal from your network provider.
- ▶ You need to be 18 to get a pay monthly or SIM only contract as credit checks need to be completed and the contract signed - an adult can take a contract out for you if they are happy to do so or you will be able to get a pay as you go phone.
- ▶ Pay as you go - you purchase a phone with a SIM card and top up when required. SIM only is available as Pay as you go - you buy credit for your phone when you need it.
- ▶ If you are 18 and over or have an adult happy to take out a contract for you, you have the option to look at monthly deals.
- ▶ Use a comparison website to get the best deal. Some networks may charge for your phone and then a monthly fee. Contracts vary for the same phone so make sure it covers everything you need as most contracts are for 2 years.
- ▶ SIM only on pay monthly deals; are excellent for cutting down your monthly outgoings because they're normally slightly cheaper than the standard monthly contracts. They are great if you are happy with the phone you have got. If you are waiting for a specific phone to come out, SIM only deals offer short contracts.
- ▶ Monthly contracts are usually for 12, 18 or 24 months. You pay a fixed amount each month which cover your line rental, a set number of minutes, texts and data bundle if required. For some deals you may need to pay towards your phone at the beginning of the contract. You will have to pass a credit check before you can sign up.

### CREDIT RATING

Building a credit history from the age of 18 is advisable. A good credit rating may help you get a loan, a phone contract or even help towards getting a great job. Having 'good credit' can make your life easier and less expensive.

Lenders, employers, insurance agents and many other businesses use credit reference agencies to help them assess your ability to repay loans: e.g. insurance companies look for a good rating as they would then consider you to be more trustworthy and less likely to commit insurance fraud; a lender will be looking for your ability and willingness to repay a loan; employers have limited access to information.

### APPLYING FOR A MOBILE PHONE CONTRACT

- ▶ Register to vote when you're 18.
- ▶ Open a bank account; if you are a student get a student account with 0% borrowing.
- ▶ Manage your account well. Overdrafts are available to students, but don't use it as part of your regular budget. Add up all your income from student loans, part-time job etc. and budget carefully. You need to show you can be trusted with money. Set up direct debits to pay any regular bills, e.g. mobile phone, gas, electricity so they are always paid on time but make sure you have enough money in your bank account to cover them.
- ▶ A credit card can help you build credit history, but only if you use it responsibly, i.e. paying off the full amount immediately or on time each month. At some point a credit card provider will offer you a card - **IF YOU CANNOT CONTROL YOUR SPENDING, DON'T GET ONE!**
- ▶ If you get a credit card, never miss a payment or pay late.
- ▶ Stability counts when you're building a credit history. If you're likely to move each year when you first leave home, use your parents' address for all your financial records. Keep application details the same - same address, same phone number and same bank details.
- ▶ Watch your credit score improve. There are three credit reference agencies in the UK: Experian, Equifax and Callcredit. Your bank account provider and any credit card providers you have will share data with one, two or all of these agencies on how well you manage your account. You can see your monthly credit reports for free - get reports from all three agencies as they all receive different information.
- ▶ Don't let flatmates' credit history wreck yours: if you are both named (all named) on utility bills then it is possible that a financial link is created on your credit records.

## FURTHER INFORMATION

- ▶ Payday loans NEVER boost your credit rating; mainstream lenders will not lend to you if they see you have taken out recent payday loans.
- ▶ If something goes wrong, don't panic, everyone makes mistakes. Your payment history is kept for six years.
- ▶ Having a phone contract is getting 'credit' and the phone company will want to do a credit check; they need to make sure you are who you say you are and live where you say you live. They will look at the application form you have completed, check if you have had an application through them before, making sure the repayments have gone through on time and finally carry out a credit search. If your application gains enough points you will usually be offered credit in the form of a contract.
- ▶ The phone company needs to ensure that you are likely to keep to the contract and be able to pay the agreed amount for the full term. Bad credit can prevent you from being able to purchase a home, work in certain industries, and could end up with higher interest rates and fees. However, if you understand what hurts your credit score, you can make an effort to fix bad habits and improve your credit rating.
- ▶ Just remember every time you apply for a credit product, e.g. credit card, contract mobile phone, or car insurance, it adds a footprint to your credit rating.
- ▶ Nobody has an automatic right to credit.

## ONLINE BANKING

The age limit required for online banking will depend on where you have your account; some banks allow it as young as 11 but for others you need to be 16. You need to register for online banking and obtain/create passwords and codes to help keep your account safe. Online banking allows you to look at what has gone in and out of your account, make transfers between your accounts, make payments to other people, keep your personal details up to date, report a lost/stolen card, order a replacement card or PIN and possibly more depending on who you bank with. Security in all areas of banking is constantly being improved. Here are some tips to stay secure while online banking.

- ▶ Regularly check your account and report anything unusual to your bank.
- ▶ Never respond to call or emails asking for your security information – your bank would never do this.
- ▶ Never leave your computer unattended whilst logged in.
- ▶ Avoid online banking on public computers.
- ▶ Make sure your Wi-Fi connection is secure.
- ▶ Make sure you have up to date anti-virus, anti-spyware and an effective firewall installed.
- ▶ Keep your operating system up-to-date.
- ▶ Keep your web browser up-to-date.
- ▶ Don't write any passwords down in full or share them anyone.

## MOBILE BANKING

- ▶ To use mobile banking you need an iPhone or android phone that can connect to the internet.
- ▶ You need to be registered with the online banking system for mobile banking. You may be able to view your account, transfer money between your accounts and transfer money to other people you have set up on your internet banking.
- ▶ Paym is a new service that allows you to send money securely to friends and family using just a mobile number. The service is free, you don't need account numbers and sort codes, you just need to be registered with the service.