

BACK IN THE BLACK

Take your bank balance from nada to Prada with our expert guide to managing your money

It's no secret that our lives are busier now than ever with increasing demands on our time both at home and in the workplace. Constantly juggling numerous responsibilities can leave very little time to focus on ourselves. But one area that simply can't be overlooked is that of personal finance. It provides valuable independence and autonomy so don't neglect this aspect of your life.

To help you take control of your financial future, Asian Woman enlisted the help of the Financial Ombudsman Service. As the free service set up by the law to resolve complaints between consumers and financial businesses, the ombudsman is expert in all things finance. Here are their top tips for managing your money.

CUT OUT THE CLUTTER

You wouldn't pay twice to buy the same item in a shop, so make sure you're not doing it with your finances. Many of the insurance policies you take out when shopping – like mobile phone insurance or warranties – might already be covered by your home and contents policy. So far this year, the ombudsman has received over 300 complaints about mobile phone insurance, often about restrictions on the policies. Speak to your insurer to see what you're covered for and cancel anything you don't need.

TAKE INTEREST

Interest rates may be historically low, but that doesn't mean that there aren't some better rates out there. Shop around online for the best rate for your savings – but before signing up, check if there are any restrictions on withdrawing your cash early. If you're able to give a few months notice before you make a withdrawal, you might get a much better rate.

MYSTERY PAYMENTS

Ask your bank for a list of your regular payments and keep an eye on your statements. If you're paying for things you don't recognise or use, cancel them. Remember to speak to the

business you've been paying to explain that you're cancelling the payment.

COST-EFFECTIVE CREDIT

If you're treating yourself to a new three-piece-suit, or giving your home a makeover, you might be considering using an interest-free credit deal. These agreements allow you to spread the cost of the purchase for an extended period without paying interest – sometimes for the first few years. If you sign up, make sure you pay off the agreement before the interest kicks in as these repayments can be expensive.

SPREAD THE RISK

If you're considering investing your money, take some time to think about how much risk you're willing to take. If it's appropriate to your circumstances, you might also consider taking some financial advice. There is a wide range of investment plans – and the more risk you're willing to take, the more potential return you

could make. But investment returns aren't guaranteed, so don't take a chance if you can't afford to risk your capital.

PLAN AHEAD

If you've managed to put some money to one side, you might be planning for the future. From paying a little extra into your work pension, to taking out life insurance to protect your family and loved ones, investing in the future can give you some peace of mind should life throw up an unexpected surprise. But again, make sure you know how these products work. Some life policies are 'reviewable' which means they can go up steeply after a number of years.

No matter how hectic your life gets, we hope 2012 stays financial-problem free! However, if something goes wrong and your financial service provider cannot resolve the problem, contact the financial ombudsman for free help and advice.

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