

MAIN TYPES OF BORROWING

Type	Key points	Who to contact	CHEAPEST
Social Fund loan	May be available if you are getting means-tested state benefits	Jobcentre Plus Tel 0800 055 6688 www.direct.gov.uk	
Family and friends	May be free, but can cause tension if you cannot repay		
Bond committees and similar community schemes	Usually you pay a set amount each week or month to a central fund and can borrow from the fund	Ask in your local community, for example, places of religious worship	
Credit unions	Community or work-based organisation – you're encouraged to build up savings before you borrow, but some let you borrow straight away	Association of British Credit Unions Tel 0161 832 3694 www.abcu.org Ace Credit Union Services Tel 0191 276 3737 www.acecus.org Scottish League of Credit Unions Tel 0141 774 5020 www.scottishcu.org UK Credit Unions Tel 01706 215082 www.ukcu.co.uk	
Life insurance loan	With some types of investment-type life insurance, you may be able to borrow against the value of the policy	The insurance provider	

Type	Key points	Who to contact
Mortgage or secured personal loan	If you don't keep up the payments, you may lose your home – watch out for fees as well as interest	To compare mortgages, call 0300 500 5000 or visit moneyadvice.service.org.uk/tables
Credit card	Can be a cheap way to borrow for short periods, but costly over long periods – watch out for fees as well as interest	See the money pages of newspapers, or comparison websites
Unsecured personal loan	From banks and similar lenders – you don't have to borrow from your own bank – watch out for fees as well as interest	See the money pages of newspapers, or comparison websites
Community Development Finance Institution (CDFI)	Lends money to individuals and businesses who may otherwise struggle to access high street banking	www.cdfa.org.uk Tel 020 7430 0222
Overdraft	Can be suitable for short periods. Moderate cost if you arrange it with your bank first, but costly if you don't (called an unauthorised overdraft). Watch out for fees as well as interest	Your bank
Store card	Most are very expensive	Some shops
Door-to-door lending	Convenient because you can pay in small amounts but very expensive. It can also be difficult to work out the overall cost, and the information can be confusing	Lenders usually target you

MOST EXPENSIVE