



Financial survival skills

Age range: 16-19

 **BARCLAYS** | LifeSkills



Session overview

Time	Key learning outcomes	Resources
150 mins	<p>By the end of the activity students will be able to:</p> <ul style="list-style-type: none"> Discuss current accounts and the use of credit cards Identify what to consider when renting accommodation or choosing an insurance policy Identify what is a credit score and top tips for looking after it Understand the difference between some of the most common types of fraud, scams and identity theft 	<ul style="list-style-type: none"> Financial survival skills presentation slides



This lesson plan is designed to be used in tandem with a PDF containing interactive activity slides. They are accredited with the Young Money Finance Education Mark, recognising them as recommended financial education resources.

Always start the session by agreeing ground rules with the group. For advice on this and other ways to establish a safe learning environment, download the [content guide](#).

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There is Money Skills content to suit a range of ages and abilities – take a look at our 7-11, 11-14, 14-16, and 19+ resources, which focus on topics such as attitudes to money, money management and risk, financial independence and fraud.

Please note that this lesson includes figures used in calculations such as student loan thresholds, NI contributions or similar. These figures were correct at the time of publication but may have changed by the time you use the resource as they are usually updated by the Government on a yearly basis.

Activity one

Exploring bank accounts and credit cards

1. Types of account

- Ask students if any of them have a current account of some kind. For those that have an account, ask them how they chose it. Responses may include the following:
 - The account came with a free gift
 - The account came with a free overdraft for a limited period
 - The account came with a good rate of interest
 - They've had the account some years and it was set up by a parent or guardian
 - It came top of the list of a search engine
 - Explain that there are lots of options in choosing an account and it's worth shopping around for the best option for your needs
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2. Choosing an account

- Explain that in choosing an account they should compare what they need with what's being offered. Examples are:
 - A free gift is only a saving if it's something that you will actually use (for example, a free railcard is a good incentive if you use the train a lot or will do in the future. It is worthless if you never travel by train)
 - Free annual travel insurance may be helpful if you travel a lot over the period of a year. If not, it may be cheaper to buy one-off insurance and look for an account with other incentives
 - A free overdraft facility can be helpful in certain situations (e.g. budgeting on a student loan that comes in termly) provided you manage it well and make sure that you know when the free period ends. If you have a big overdraft you need to ensure you can clear it before you start being charged for it. Make sure you raise these points about overdrafts:
 - They should always be authorised by your bank, i.e. you have a given amount you are allowed to be overdrawn by. If you go over that amount you will incur additional charges and it may affect your credit rating
 - Check that this is the best method of borrowing for your needs
 - An instant access account is essential if you are likely to need savings quickly in an emergency, but it will pay less interest than an account for which you need to give a period of notice for withdrawals
 - An online account is the most accessible for checking your balance on a regular basis but it won't serve well if you're living somewhere with unreliable or insecure internet access
- Use **slide 2** to access the bank account comparison tool. Explore the terminology by hovering over the different sections. Discuss the contactless symbol and ensure that they know what the current spend limit is for contactless payment
- In small groups, ask students to consider the different features of the accounts and decide which one is most suitable for the fictional characters on **slides 3 – 6**. You could print the case studies or work through them on the screen
- Explain that what we need from an account may change over time and it's worth reevaluating as circumstances change, for example student accounts and graduate accounts. Many accounts offer new customer incentives if you can pay in a regular salary once you've started working. Make sure you also discuss the importance of taking action to avoid identity theft and keeping financial and personal details safe online

Activity one

Exploring bank accounts and credit cards (cont'd)

Extension

- Students could research and compare current offers and discuss their findings to agree which would be the best current account if they are going on to university or further education:
moneysavingexpert.com/students

3. Checking statements

- Ask how many of the students with bank accounts check their statements, and whether this is via a paper or online statement
- Explain that most providers now offer the ability to check your balance and make transactions on phones or tablets and this is worth using, e.g. if you're deciding to make a spontaneous purchase on your debit card and need to be sure you have funds to cover it. Students can also set up a text alert system to get a regular update on their balance of their account or a message when they are near to becoming overdrawn
- Bank statements display all account transactions within a given period. Ask the group why it is important to read their bank statements and keep track of transactions – both money coming in and money going out
- Explain that it's especially important to keep an eye on spending to spot possible fraudulent transactions or incorrect charges

What information do they think is shown, or have they seen before, on a statement?

- Explain that it's worth storing (securely) electronic copies of online statements as many online systems only allow you to look back online for a six-month period and you may want to keep information for longer than that
- Use **slides 7 – 8** to display the example bank statement. Explore the different sections and terminology by discussing the definitions that appear when hovering over the slide
- When the group are comfortable with the terminology and layout, ask them the following comprehension questions relating to the account – you may want to choose the ones that are most appropriate for your group, or add your own

1. How much income was received during the month?

Answer: £335 in wages and a cheque for £185

2. What does the direct debit cover?

Answer: His water bill

3. Did he incur any charges he could have avoided this month? If so, how much?

Answer: Yes – £1.75 because he used an ATM that charges for withdrawals. Across the UK, there are around 45,000 free to use cash machines, and 15,000 cash machines that charge a fee for a withdrawal (as of July 2021)*

* Protecting access to cash commonslibrary.parliament.uk/research-briefings/cbp-9054

Activity one

Exploring bank accounts and credit cards (cont'd)

4. Explain one way in which the bank statement helps Mr N E One to manage his personal finances
Answer: He knows how much money he has left at the end of the month, and that his regular payments are going out
5. What is the difference between a standing order and a direct debit?
Answer: Both are methods of making regular payments – standing order amounts are controlled by you, whereas the direct debit amount is set and can be changed by the organisation being paid, once you have signed a direct debit agreement
6. If the payment to the bank on 21st June included 12% interest, how much of his loan did he pay off?
Answer: £85.00
7. When is his birthday?
Answer: Personal information is not displayed on a statement. You should be careful who you share this type of information with, and what information is accessible on social media, as fraudsters collect this to help them steal people's identity. Think carefully how you use your personal information, for example, when selecting a PIN you should not use obvious numbers like your date of birth.

- Recap what's been covered as a top tips list. Show **slide 9** as a reminder for the students.

4. Understanding credit cards

Pros and cons of credit cards	
✓ Advantages	✗ Disadvantages
✓ Can give you up to 55 days of free credit which can help with budgeting	✗ Very high interest rates if you don't pay off the balance in full each month
✓ There are some good 'points' and 'cashback' offers to take advantage of	✗ You need to have a regular income to be approved at application
✓ Interest-free 'balance transfer' offers over a period of time can be helpful provided you pay the right amount off each month to ensure the debt is clear by the end of the interest-free period	✗ It's easy to get 'carried away' by having ready access to money that you may not be able to afford to repay

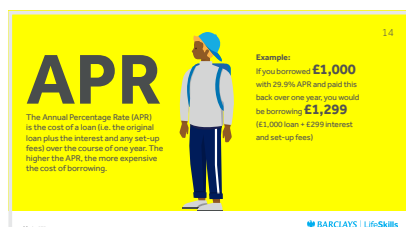
- Ask the group what they know about credit cards, and discuss the advantages and disadvantages. Use **slide 10** to record their suggestions, before showing **slide 11** with the key points to summarise
NB interest, either on a debt or on savings, is not acceptable in some cultures or religions, and may affect students' views on which features are advantages or disadvantages
- Explain that careful use of a credit card can have benefits but to use one successfully without getting into financial difficulty requires good management and a good understanding of how credit cards work
- Allow some time for students to discuss the definitions of the terms below. Use **slide 12** to launch the [Know Your Money Terms interactive online tool](#) to explore the terms that were unfamiliar and any others that may be relevant. If they have access to them, you could ask students to explore the tool individually using mobile phones or tablets

Terms: Credit card, APR, Interest, Credit score, Default, Liability, Lender

Activity one

Exploring bank accounts and credit cards (cont'd)

5. APR and interest



- Show **slide 14** and talk through the APR example to show how the amount you owe increases with the interest added when you only pay the minimum amount of your balance each month. Remind students that while credit cards can be useful for providing a period of interest-free credit, they are an expensive method of borrowing unless you pay back the full balance every month. Options like an overdraft or a bank loan are less expensive for longer-term borrowing
- To summarise, explain to students that credit cards offer one form of borrowing. Borrowing or buying on credit can sometimes be useful; without it many people wouldn't be able to go to university, buy a house or purchase other high cost items as saving for it would take too long. The point to remember is that you will need to pay it back, usually with interest and you are likely to end up paying back more than you borrowed

6. Choosing the best deal

- Explain that, as with buying any goods or services, it pays to shop around for the best deal to suit your needs. Discuss the importance of understanding interest rates and deadlines for payment to ensure you don't get into debt
- Show **slide 15** and ask students in groups or pairs to read and discuss the offers for credit cards. They should identify the differences between them and then make a decision about which of them is the best card for Samir. **Slide 16** can be used to record their responses, either on screen or printed as a work sheet
- Ask each group in turn which card they would recommend. Ask them what factors influenced their decision. Display **slide 17** to share the answers with students. Explain that this exercise has given them some practice in exploring the terminology that is used to persuade you to sign up for a card and comparing deals

Extension

- Students could research different ways of borrowing. Some sources of information include:

[Money Helper](#)

[Citizens Advice](#)

Activity two

Renting and insurance

1. Renting accommodation

- Ask students if any of them are planning to move away from home in the near future to go to university or college or for a job in another area
- Explain that it is likely they will need to move into rented accommodation and that it's worth understanding the basics of rental agreements and deposits to ensure they get appropriate services from the landlord and protect any deposit they have to pay up front
- Explain that although they may move into a university's halls of residence, it doesn't mean necessarily that the university will be the landlord as many university halls are owned and managed by private companies. If they move into accommodation owned by an individual then they may have to deal with a letting agency rather than directly with the landlord
- Ask students in their groups to spend five minutes discussing what questions they might need to ask of any prospective landlord. Ask them to draw up a list
- Ask the groups to contribute their ideas (one from each group in turn) and write the list on the board. The following are likely to be included:

How much per week/month is the rent?

Are utility bills included?

Is there WiFi and is that included in the rent?

How much is the deposit?

Will I get my deposit back?

How long is the rental period?

Do I have to pay full rent during vacation periods (for those in university halls)?

- Explain to students that any deposit they pay in advance should (by law) be placed in a Tenancy Deposit Protection (TDP) scheme by the landlord. These schemes are in place to protect your deposit. If, at the end of your tenancy, there is a dispute with the landlord about how much you should get back then the scheme protects your deposit until the issue is resolved
- Give out **slide 18** so students have some top tips to take away with them for future use. If time allows, you could discuss some of these with the students
- Suggest that students should create a budget to check what they have remaining from their income once their rent has been paid

Extension

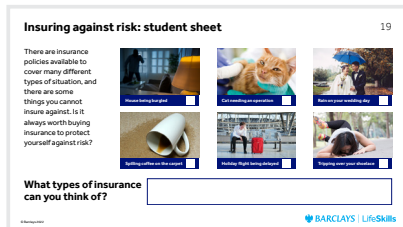
- Students could do some research on these websites for further advice on renting and deposits:

[Citizens Advice](#)

[Gov.uk](#)

Activity two

Renting and insurance (cont'd)



2. Are insurance policies worth the money?

- Use **slide 19** to introduce the concept of insurance – paying money to a provider who will then pay you compensation if you suffer a loss, damage or injury in certain situations
- Ask students to tick the box next to the items on the slide you are able to buy insurance for. You can buy insurance for all of these situations apart from tripping over your shoelace and rain on your wedding day (although you can insure against adverse weather conditions severely affecting the ability of guests to travel to your wedding)
- Explain that some insurance is compulsory, e.g. you must have buildings insurance when you buy a home, and car insurance for when you're driving. For other situations you need to think about whether it's worth buying insurance or whether it would be better to put some money aside just in case there's a problem
- Collate a list of other types of insurance the students know of on the bottom of **slide 19**, for example; pet, mobile phone, car breakdown, home contents, extreme sports, health, accidents etc.
- Tell the students that price comparison websites are a good place to start when choosing insurance. They may be familiar with some that are regularly advertised

3. Insure or save?

- Highlight that before you pay for insurance you must consider if it will protect you from the right risks and if the premium (the cost) will provide you with value for money. Use **slide 20** to make sure students are familiar with the key terms – premium, claim, and excess. Explain that terms and conditions would apply, and not all claims are successful
- Then use **slide 21** to explain an insurance policy for a laptop
- Ronnie's laptop was bought new for £250 with a laptop bag costing £18

The annual insurance premium is:

- £52 if paid up front or
- 12 monthly instalments of £5

Policy details:

- Repair of broken or damaged laptop within 10-14 days of making a claim
- Replacing lost or stolen laptop with one of the same value at the time of the theft or loss. Replacement to arrive in 7-10 days
- £100 excess (the amount Ronnie will have to pay towards any claim he makes, in addition to the premium)

- Ask students to consider whether the policy provides Ronnie with protection against all the kinds of risks he is likely to face, and if they think the insurance is financially worthwhile by asking the following questions:

Activity two

Renting and insurance (cont'd)

Should Ronnie pay the one-off fee or monthly instalments?

Does the policy offer value for money? Consider the purchase price and replacement or repair of his laptop, alongside the annual premium and excess

Does it matter how quickly he will be provided with a replacement or repair?

How else could Ronnie protect himself against the risks? Suggest that instead he could put £5 into a savings account every month and use this money to repair or replace his laptop when necessary. What do they think of this option? How much would he have to save? What could be the disadvantages?

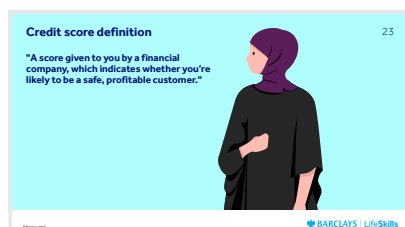
Activity summary

- Summarise by explaining that all actions have some element of risk, and therefore potential consequences (injury, damage or loss). The degree of risk often depends on the circumstances of a situation, and this can influence whether it is worth taking out insurance – you need to balance the risks and consequences with the costs, unless it's compulsory insurance. You can provide copies of **slide 22** as a takeaway

Activity three

Credit scores

1. What is a credit score?

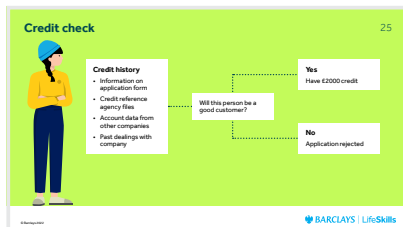


- Ask students if they can remember the definition of a credit score from the earlier activity: if you didn't explore this, show **slide 23** to give a simple definition
- Watch out for common misconceptions about credit scores:
 - Each person doesn't have a single credit score: different financial companies will score a person differently depending on the product a person is applying for
 - Credit scores aren't about whether you're a risk: financial companies want to make sure that you will be a profitable customer, which means that they want to make sure you are likely to repay a credit card debt, for example, but they may also want to see whether you'll pay some interest rather than paying off the whole amount every month
- Explain that whenever you apply for a financial product (e.g. a loan, credit card, mortgage or mobile phone contract), the company will do a credit check. This involves looking at your past behaviour so the company can predict how you might behave in the future

Activity three

Credit scores (cont'd)

2. What goes into a credit score?



- Explain to students that companies use a number of pieces of information to create someone's credit score. Display **slide 24** and ask students, in their groups, to see if they can work out which information is used in a credit score
- Use **slide 25** to show the answers. Ask students if they were surprised about which information is used and which isn't

3. Ways to check a credit score

- Ask students whether they have heard of a credit reference agency before. Show slide **26**. There are three commonly used credit agencies: Equifax, Experian and Callcredit. These companies put together information from five main sources:
 - Electoral roll information: this information is publicly available. It contains details of residents and addresses
 - Court records: if you have county court judgments (CCJs) or bankruptcies in your records, these will show that you have a history of debt problems
 - Search, address and linked data: this information contains records of other companies that have searched your file when you've applied for credit, addresses you're linked to or people with whom you have a financial association
 - Fraud data: this is where companies can find out if you have committed fraud (or someone has stolen your identity and committed fraud)
- Explain to students that the information held by these companies is available for us to check – and it's a good idea to check it from time to time, because mistakes can happen. Incorrect information on your credit file can lead to applications being wrongly rejected and, if you are rejected too many times, it can lower your credit score

4. Recognising a good credit score

- Display **slide 27** and ask students to work in their groups to allocate a poor/good/excellent rating against each of the scenarios (a couple of them have been filled in already). Run through the correct answers on **slide 28**, then ask them to spot the problems on Zainab's credit file. They should see that she isn't on the electoral roll (which can be easily fixed) and that there are 5 credit searches on her record for the last six months. Ask students how this could have happened, if this is her first credit application. Discuss that there could have been fraudulent activity (e.g. someone trying to get credit using Zainab's identity) or it could simply be a mistake. Zainab should contact the credit reference agency to get this mistake fixed

Activity summary

- Use **slide 29** to explain how to check your credit score and discuss the tips for improving your credit score, or keeping it healthy. You can print a copy for students as a takeaway from the session

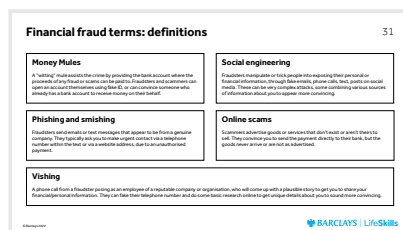
Activity four

Financial fraud, scams and identity theft

1. Things to consider when managing money

- Explain that when managing money and making financial decisions, there is always an element of risk. Fraudsters look for opportunities to steal information and access an account, and there are important steps that can be taken to reduce this risk. Explain that in many instances when you are taken advantage of, provided you have followed all the rules for use of your account, the bank or financial institution may help to return any lost funds to you

2. Understanding types of fraud



- Display the terms on **slide 30**, and ask students to come up with some definitions in small groups. You could print the sheet if needed. Discuss the answers on **slide 31**

Money Mules

A "witting" mule assists the crime by providing the bank account where the proceeds of any fraud or scam can be paid to. Fraudsters and scammers can open an account themselves using fake ID, or can convince someone who already has a bank account to receive money on their behalf.

Vishing

A phone call from a fraudster posing as an employee of a reputable company or organisation, who will come up with a plausible story to get you to share your financial/ personal information. They can fake their telephone number and do some basic research online to get unique details about you to sound more convincing.

Social engineering

Fraudsters manipulate or trick people into exposing their personal or financial information, through fake emails, phone calls, text, posts on social media. These can be very complex attacks, some combining various sources of information about you to appear more convincing.

Phishing and smishing

Fraudsters send emails or text messages that appear to be from a genuine company. They typically ask you to make urgent contact via a telephone number within the text or via a website address, due to an unauthorised payment.

Online scams

Scammers advertise goods or services that don't exist or aren't theirs to sell. They convince you to send the payment directly to their bank, but the goods never arrive or are not as advertised.

Activity four

Financial fraud, scams and identity theft (cont'd)

3. Example scams

- An example that commonly affects young people is a type of mule scam 'deets and squares'
- Explore Priya's case study using **slide 32**, and use the questions below to encourage discussion. Explain that in this instance Priya has acted illegally, and there are serious implications

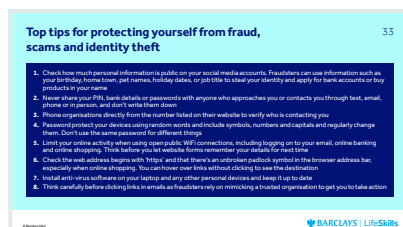
What signs could Priya have spotted to stay safe? (e.g. she was approached unexpectedly, it sounds too good to be true, being asked to share her bank details)

What could she do differently next time?

What might the consequences be? (e.g. your bank account can be closed down, which may affect the financial products and services you can access in future, and you can receive a prison sentence)

Where could Priya have gone to for help when she was approached?

4. Top tips for protecting yourself from fraud



- After allowing time for discussion, make sure the group understand where they can go to for further advice and support by sharing the links below and looking at the top tips on **slide 33**. You can print this slide as a takeaway for students
 - Report frauds, scams and identity theft to [Action Fraud](#)
 - Find out how students and young people are being targeted [here](#)
 - Explore a beginner's guide to scams from [Money Helper](#)
 - Check whether an organisation is registered as a legitimate financial services company [here](#)
 - Stay ahead of the fraudsters by exploring [here](#) or watch a relevant film from [Get Safe Online](#)