



Understanding everyday financial terms

Standing order	-An instruction to a bank to pay the same amount to a person or company on a regular basis
Overdraft	-An arrangement whereby a bank allows an account holder to withdraw more money from a bank account than has been deposited. You will usually be charged interest for using this facility-
Account number	-A unique reference for an account -Appears on debit/credit cards
Secured Loan	-A loan backed up by property or guarantee of some kind -Eg Mortgage which is used to finance the purchase of a property -Eg Hire Purchase which is often used to finance the purchase of a car -The house/car are used as security for the loan, non payment may result in repossession
Sort code	-A six digit number identifying a specific bank and branch -Found on your cards, statements and cheque books
'PIN' number	-A unique combination of numbers given to the debit/credit card holder enabling them to gain access to their information or money
APR	-Annual Percentage Rate which tells you the cost of a loan, taking into account interest you pay back and any other charges
Loan Shark	-An Illegal Money Lender- someone who does not have a licence to sell credit -Report a loan shark in confidence on 0300 555 2222



Direct Debit	<ul style="list-style-type: none"> -An instruction to a bank to allow a company to take money automatically from your bank account, usually monthly -The amount of each payment may vary eg mobile phone contract
Identity Theft	<ul style="list-style-type: none"> -A crime involving stealing personal and or financial information, such as name, credit card number, password or account numbers from a person with the intention to commit fraud Eg phishing, card skimming
Credit Union	<ul style="list-style-type: none"> -A not for profit organisation which is owned by its members offering savings and loan facilities -White Rose Credit Union have branches in Hemsworth and at Wakefield One
Credit Report	<ul style="list-style-type: none"> -A report from a credit reference agency detailing an individuals financial history and ability to repay debts -Can obtain your own statutory report for £2 from either Experian, Equifax or Callcredit
Security code	<ul style="list-style-type: none"> -A 3 digit number printed on the signature strip on the reverse of a card -Often requested when purchasing goods online or by phone
BACS (Bankers Automated Clearing System)	<ul style="list-style-type: none"> -Automated system set up by the bank to transfer money directly from one bank account to another -This is often used by employers to pay wages into accounts
Credit Card	<ul style="list-style-type: none"> -Used to withdraw money and make purchases on credit -Monthly statements show expenditure and request at least a minimum payment by a due date -A fee is charged if payments are not made on time -Gives you added protection on purchases of £100 and over under



	Consumer Credit Act 1974 section 75- equal liability is held with the credit card company
Continuous Payment Authority (CPA)	<ul style="list-style-type: none"> -Authorised by providing a company with the card number from your debit/credit card. -Allows companies to withdraw sums of money from your account without having to seek repeat authorisation for each payment. -Companies can take money from your card whenever they think they're owed eg pay day lenders
Debit Card	<ul style="list-style-type: none"> -Used to make purchases and withdrawals from your bank account -Money is taken directly from your bank account