

Check the benefits of paying each bill - is it cheaper to pay monthly, quarterly or annually.

There are sometimes discounts for paying annually - for example health insurance, motor vehicle registration but **work out your percentages first**.

COUNCIL RATES

Always pay quarterly. There are no penalties for paying quarterly as opposed to annually in SA (check for other states).

CAR REGISTRATION

Only if budget is tight do you want to do this 3 monthly or 6 monthly. It is much cheaper to pay car registration yearly. Sometimes it falls into a very heavy month and by doing a one-off quarterly payment, you can move it to a month that is not so heavy.

Eg: registration that is due around Christmas every year - pay 3 months, then the registration will fall due in March (not at Christmas).

24 MONTH INTEREST FREE DEALS

They are a good idea as long as you don't incur monthly account keeping fees ie. \$2.50, because you are also charged the interest ie. 27% on your \$2.50.

Always do interest free with no monthly account and no monthly fees. This has to be requested and discussed when you are purchasing the item.

Always ensure the interest fee is paid out by the end of the interest free period. Eg: item cost \$3,000 at the end of interest free period, still owe \$1,000.

The interest charge ie. 27.5% on that \$1,000 is calculated back to the date of purchase.

90% of people

DEFAULT on interest free payments

...and our clients are the 10%.

PAYING BILLS BY CREDIT CARD

There are 3 ways you can pay your bills using your Credit card:

1. Bpay

Bpay is a service where bank customers can pay their bills over the phone or internet with participating companies. Call your bank's phone banking number, which is usually printed on the back of your Credit card, and follow the prompts to pay your bills via Bpay.

You can **tell if a bill can be paid by Bpay** using a credit card by reading the information next to the Bpay symbol on the back of the account you are paying.

Not all companies accept credit cards for Bpay transactions.

2. Over the telephone

For bills where Bpay is not available, the payee may accept credit card payments directly over the phone. This information will also be **printed on the back of the bill** you are paying.

3. Direct Debit

Most companies will accept credit card account direct debits. This is particularly convenient for regular payments, eg insurances (car, health, home and contents, life etc), union payments, newspaper or magazine subscriptions, World Vision sponsorship etc.

NEVER PAY BILLS WITH CREDIT CARDS AT THE POST OFFICE

Australia Post process the transaction as a **cash advance**, therefore an initial cash advance fee is charged and daily **interest** on the amount withdrawn from the credit card to pay the bill.

This interest will continue to be charged until the credit card statement containing this transaction has been paid in full – this could mean up to **55 days where you are being charged interest unnecessarily.**

SETTING UP BILL PAYING CUSTOMER AS PRIMARY BANK CUSTOMER

Usually one partner of a relationship pays most of the bills and liaises with the banks.

It is more convenient for you if this person can be set-up as the primary customer with your bank, or arrangements can be made with the bank to authorise you to update or access your account information.

If it is necessary request a change with the bank, remember **all banks have different rules and regulations.**

The first step in requesting any changes to primary bank customer arrangements is to contact your bank.

You will need to make sure the primary bank customer is the person who makes the initial call, as the bank will only discuss account details with the primary customer. The reason banks do this is to meet their obligations under the Privacy Act.

STORE DISCOUNT

You may do a deal with a store, if you pay the whole lot, they may give you discount straight away.

They can give you up to 10% discount which means put it on your credit card and get it now. Its termed "pay cash" and there is a different price for paying cash and interest free.

For example, Retailer's interest free deals will be putting their loan placements through possibly AGC or GE and this will cost the Retailer a percentage. So sometimes it's easier and quicker for them to do a cash purchase to move the stock, rather then waiting for loan approval and payment.

"Cash payment" is actually paying it on credit card.

It means paying today.

ADVICE IN GENERAL

Listen to what everyone has to say – listen to your coach, listen to friends, listen to your accountant – and then make a decision that is best for you.