JM FINN
Investment | Wealth

Personal Finance

A beginner's guide

Introduction

Do you ever feel like you don't quite grasp a lot of the personal finance terms that we hear bandied around?

From APRs to overdrafts, ISAs to interest rates, we hear these so often that it feels like we should understand them, but when push comes to shove could you actually explain what they mean? If not, you're not alone – in fact a staggering 68% of credit card holders in the UK[1] have no idea what a credit card APR is. There's a very good reason for this collective chasm in our understanding of personal finance: the UK's financial education gap.

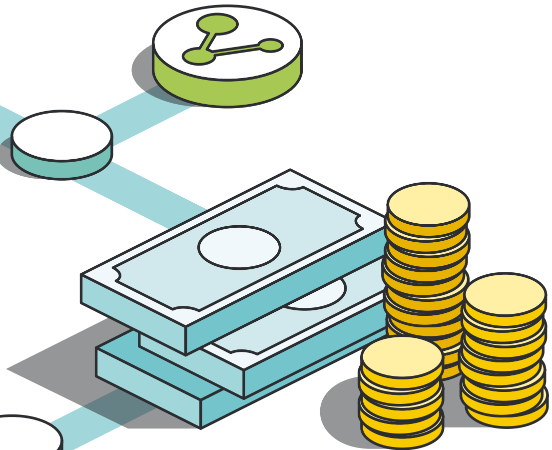
Despite half of the UK population now having further education, personal finance continues to be a low priority in school curriculums. While 82% of young people want to learn more about personal finance in school, 2 in 3 don't recall having any financial education in school at all. A 2025 report from the government-funded Curriculum and Assessment Review has identified the need for better financial education in schools.

Personal finance continues to be a low priority in school curriculums.

Unfortunately, but perhaps not so surprisingly, this lack of financial education can often lead to poor financial considerations that continue into later life: those without strong financial literacy are on average £20,000 worse off than those who are. In the absence of financial skill teaching in schools, many people understandably look to other sources, particularly social media influencers. While some can give useful information, others can be highly misleading – and the problem is that online it's often very difficult to tell the difference.

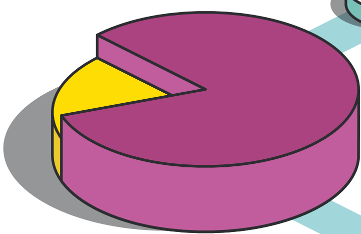
This report is designed to give you an introduction to personal finance, offer food for thought on some of the basics when it comes to money, and tips to help protect your financial life. While areas such as investing and pensions might seem totally irrelevant now, the reality is that getting started sooner rather than later can mean that you need to save less over time.

Please note that the information in this report may be subject to change as a result of proposed changes during the Budget. Taxes are not covered here, but staying up to date with rates and available reliefs is a good idea - a wealth planner can help with this if needed.



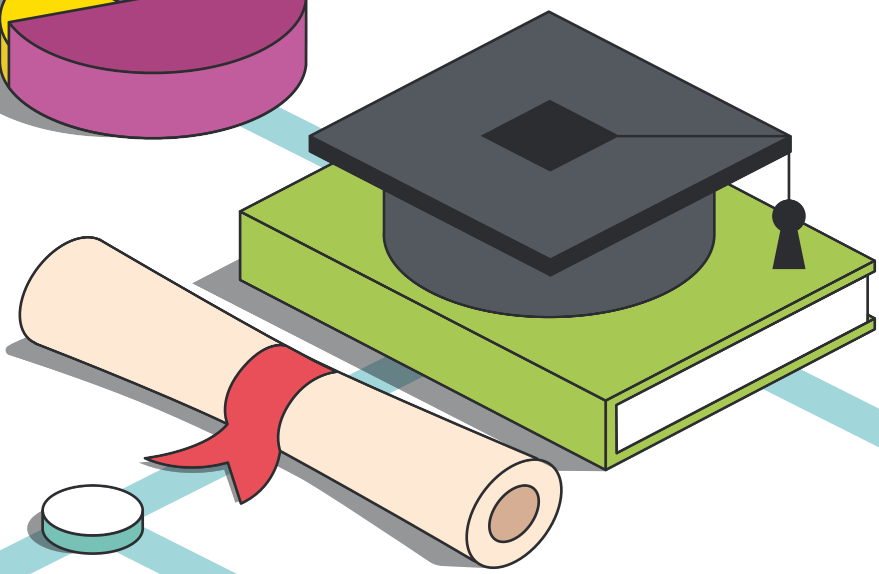
45%

of 18–30-year-olds use social media platforms and online influencers to learn about managing finances.[1]



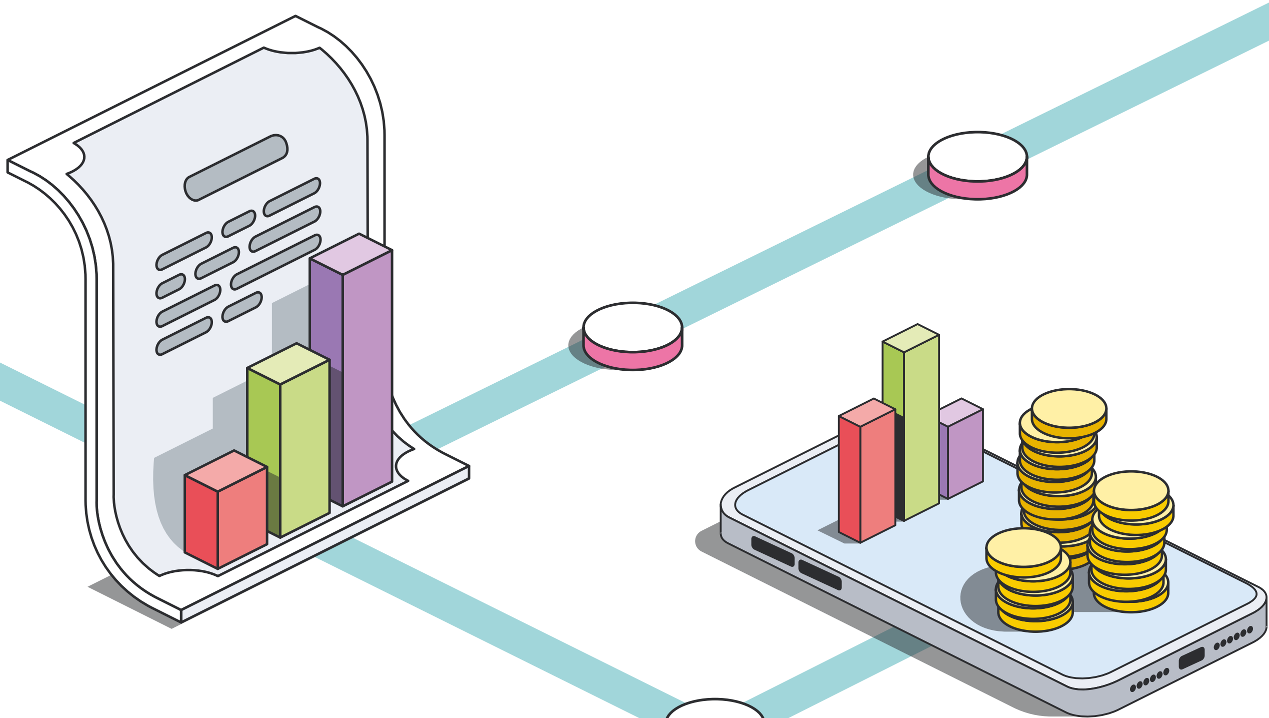
82%

of young people want to learn more about money and finance in school.[2]



Current Accounts

A current account is designed for day-to-day spending and banking activities, typically offering features like debit cards, and unlimited withdrawals.



What is an interest rate?

If you are in credit in a current or savings account, the provider will typically pay you an additional sum of money which is a set percentage of the amount you have in your account. This percentage is the interest rate, so for example if you had £1000 in your account at an interest rate of 2%, you would receive £20 credited to your account.

If you are in debit (i.e. you owe money - either on a credit card or you are in an overdraft), the reverse applies - so the interest rate will instead be the sum you pay to the provider - more on this in the section on credit cards.

Overdrafts – know your limit

When you set up a bank account, you may opt for one that gives you an overdraft. This is essentially a loan from the provider that lets you spend more than you have in your account. An 'unarranged overdraft' is where you spend over the agreed overdraft limit.

Regulators clamped down in 2019 on extortionate unarranged overdraft fees to be replaced by a flat interest rate for overdraft use. What this meant in practice however, is that in many cases providers simply replaced high unarranged overdraft fees with very high fees for all overdrafts. Commonly, standard overdraft interest rates can be in the region of an eyewatering 40% - often with introductory periods of 0% or free overdrafts up to a certain amount, beyond which the huge rate kicks in. With this in mind, if you do decide to take an account with an overdraft facility, make sure you check exactly what the terms are and what you could be charged to ensure that you avoid paying high rates.

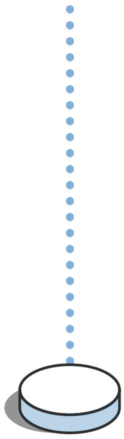
54%

of British adults have never switched bank account.[3]

Choosing the right bank account

Banks will often offer shiny incentives to sign up new customers, safe in the knowledge that many people are creatures of habit and will then stick for years with the same account – regardless of whether better deals could be found elsewhere. This is especially true of student bank accounts, with providers offering deals such as free four-year travelcards to open accounts. The caveat to this is that these incentives don't always come with the best long-term rates, so it is often better to focus on choosing an account that will give you the best interest rate (if you're in credit).

Taking advantage of the short-term offers could be for you however if you have the discipline to diarise when rates come to an end and ensure you then switch to a better deal. If you fall into this category, then using the Current Account Switch Service (CASS) can offer an easy way to move your account to a different provider: 50 UK banks and financial institutions are signed up to the scheme. Under the CASS service, your payments and balance will automatically transfer, while your old bank will take care of closing your old account. The switch should be completed within seven working days, and direct debits automatically transfer to your new account.



Types of savings accounts

In contrast to a current account, a savings account is for longer-term saving, focusing on helping your money grow through interest earnings – so interest rates can often be higher than with current accounts. As a trade-off for this, there may be limitations on the number of withdrawals you can make and there could be a minimum amount you need to put into the account.

Fixed-term savings accounts

These lock your savings away for a longer period of time, in exchange for higher interest rates. This could be as little as three months or up to as much as 5 years. They can be a good option only if you're sure that you won't need access to the money during the period.

Individual savings accounts (ISAs)

These come in two main forms: (1) cash ISAs and (2) stocks and shares ISAs, which are covered in more detail in the Investing section.

Easy access savings accounts

There are few or no restrictions on your ability to withdraw money from them. Typically have lower interest rates than fixed-term savings accounts.

Cash ISAs

Tax-free savings accounts where you earn interest on cash deposits without paying tax on the returns (the money earned on the account), offering protection for the money originally put into the account (known as the 'capital') but typically lower returns.

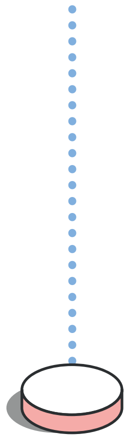
Notice savings accounts

As the name suggests, these are accounts where you can access your money after giving a certain notice period, usually ranging from a month to three months. They generally offer lower interest rates compared to fixed-term accounts, so if you're confident that you won't need access to your savings then a fixed-term product could be the better option.

Stocks and shares ISAs

These are tax-free investment accounts offering higher growth potential but with investment risk.

You can currently save up to £20,000 tax free in ISAs per year. This allowance can be split across different types of ISAs, or even multiple accounts of the same type of ISA - so you could for example have one cash ISA and a stocks and shares ISA.



Credit cards: a double-edged sword

It’s an annoying fact of life in the UK that owning a credit card and demonstrating responsible use of it is usually an important component of building a good credit history.

So what is a credit card? While there are various different types, the basic premise is that they are a short-term way to borrow money to pay for goods or services, which must be repaid at a later date.

Being younger can make you more vulnerable to getting into debt.

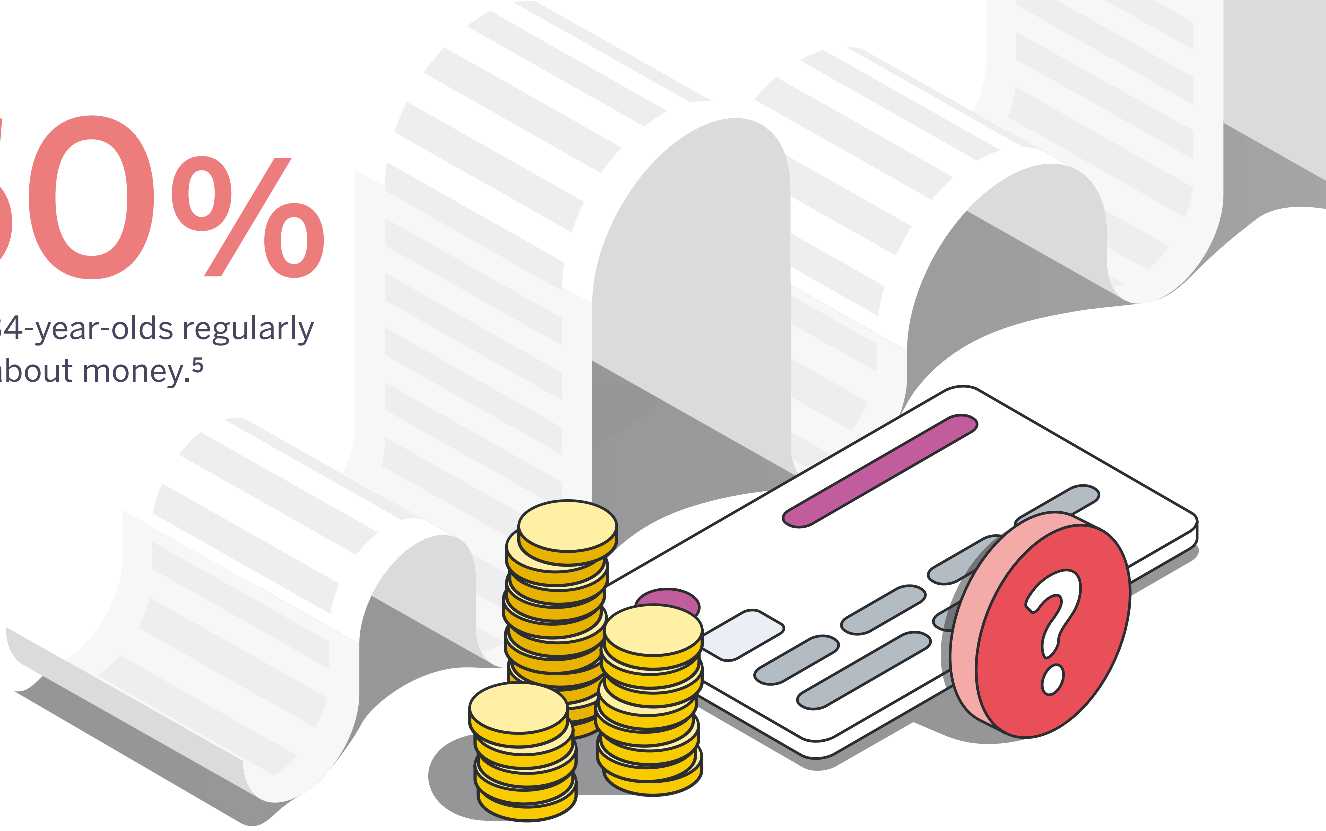
The key is to ensure that you pay back in full any money owed each month to avoid incurring possible high interest rate charges, and never to miss payments – this can be very damaging to your credit score.

Before applying it can be a good idea to do a ‘soft search’ to check whether you are likely to be accepted by a lender: being rejected can leave a negative footprint on your credit record.

It's important to bear in mind that being younger can make you more vulnerable to getting into debt: nearly half of people aged 18-24 have some form of debt such as credit cards or overdrafts.[4]

50%

of 18–34-year-olds regularly worry about money.[5]



Types of credit card:

Standard credit cards: These are basic cards for everyday spending. You get a credit limit, make purchases, and pay back what you owe each month. If you don't pay the full balance, you'll be charged interest on what remains. You'll usually need to meet certain criteria to get one, such as proof of address and regular income.

Student credit cards: Credit cards designed specifically for students. Typically have lower credit limits compared to standard cards as they do not require the same proof of income.

Cashback cards: These give you money back on your purchases – often between 0.5% to 1% of what you spend. Some offer higher rates of cashback for specific categories like groceries or petrol.

Rewards cards: Instead of cash, you earn points that can be exchanged for vouchers, flights, or other rewards. Popular examples include Avios points for British Airways or Tesco Clubcard points.

Balance transfer cards: These offer low or 0% interest rates for a set period (often 12-29 months) when you move debt from other credit cards. They're designed to help you pay off existing debt more cheaply, but there is also usually a fee payable to transfer a balance to the card.

Purchase cards: Similar to balance transfer cards, but the low interest rate applies to new purchases instead. Good if you need to make a big purchase and pay it off over time.

Credit builder cards: Designed for people with poor or no credit history. They typically have higher interest rates and lower credit limits, but may help you build up a good credit score if used responsibly.

Premium cards: These usually come with hefty annual fees but offer perks like airport lounge access, travel insurance, concierge services, and higher reward rates. Examples include American Express Platinum or high-end Mastercard/Visa cards.

Nearly

£3k

The average level of debt held by 18–24-year-olds.[6]

Understanding annual percentage rates (APRs)

When borrowing money from a loan or credit card, you'll have to pay back what you borrow plus interest – the interest is an extra amount paid to the provider to give them an incentive to lend the money in the first place. APRs go further than interest rates because they also factor in any fees you need to pay on top of the interest rate. So an APR tells you exactly how much extra you'd have to pay if you borrowed the money for one whole year.

The higher the APR number, the more extra money you have to pay back, so the goal should usually be to look for credit cards with lower APR numbers.

37%

do not have a plan to be able to repay their debts.[7]

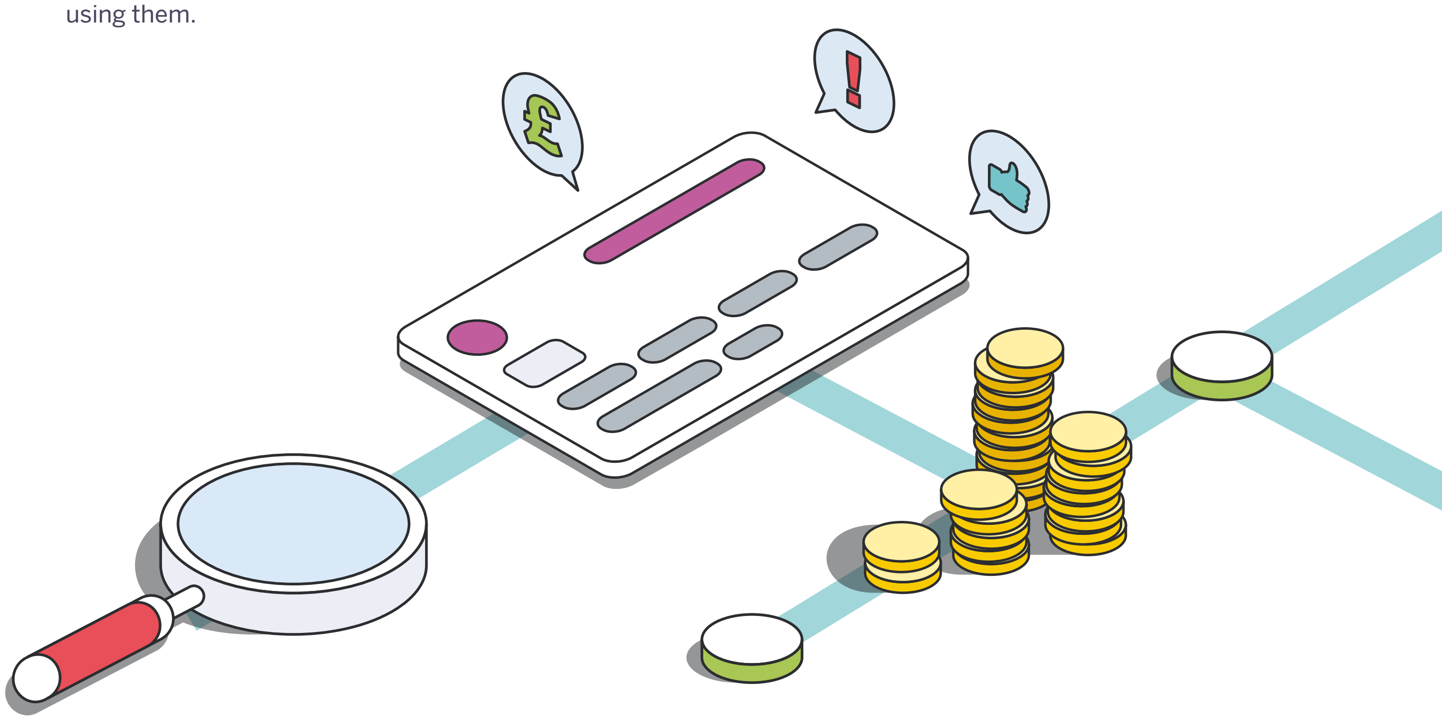
Using a credit card

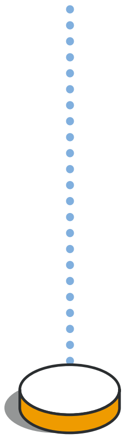
Benefits:

- **Convenience:** Credit cards let you buy things now and pay for them later, which can be helpful if you need to spread out the cost of big purchases.
- **Building credit:** Using a credit card responsibly can help build your credit score, making it easier to get loans in the future.
- **Purchase protection:** Credit cards often come with protection for purchases, meaning you can get your money back if something goes wrong with what you bought.
- **Rewards:** Some credit cards offer rewards like cashback, air miles, or loyalty points for using them.

Drawbacks:

- **Interest rates:** If you don't pay off your balance in full each month, you can end up paying a lot in interest.
- **Debt:** It's easy to overspend with a credit card and end up in debt.
- **Fees:** Credit cards can come with various fees, such as annual fees, late payment fees, and fees for cash advances.
- **Impact on credit score:** Missing payments or accumulating too much debt can harm your credit score.

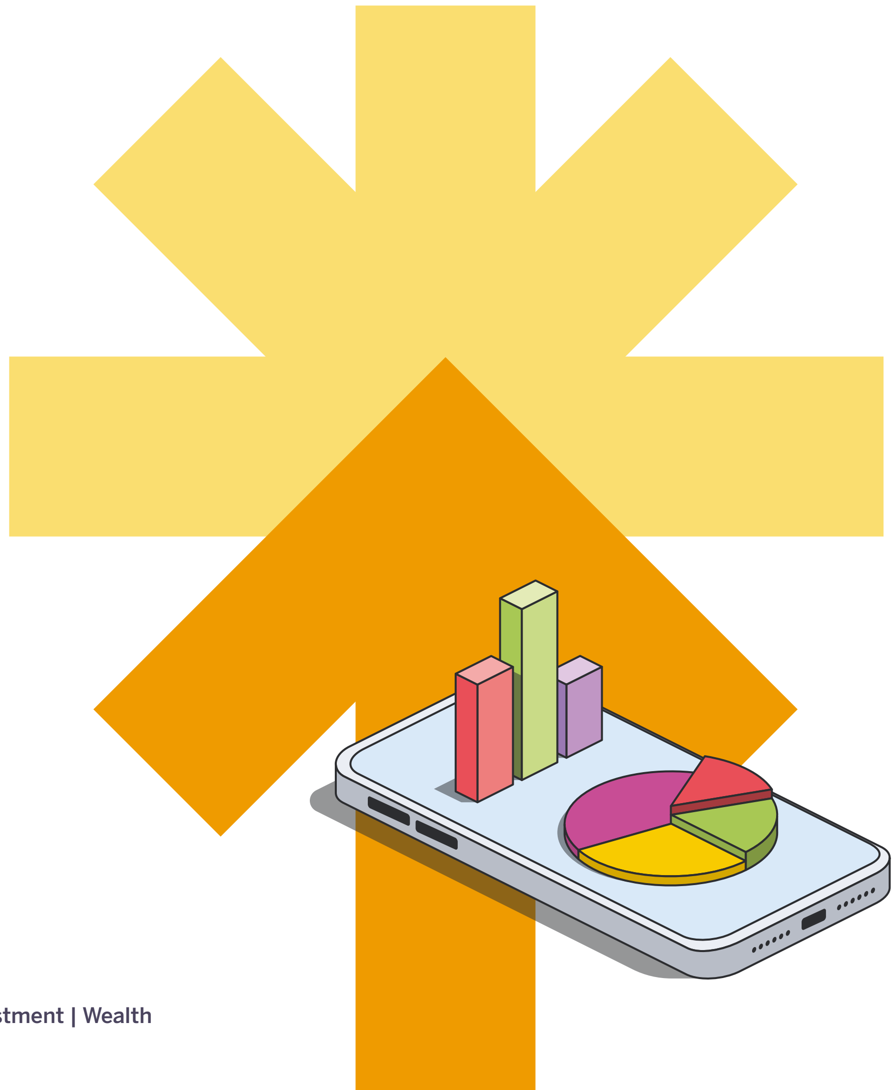




Loans

A loan is simply an agreement by one person or party to lend money to another at an agreed rate.

Your first experience of this could well be loans from family members – but if you are considering a loan from an institution such as a bank or a building society, it's important to highlight that not all are alike. To compare loan offers, you need to take into account the term (i.e. length of the loan) as well as the APR.



Secured loans: These loans require collateral, such as a house or car, which the lender can claim if you fail to repay the loan. They typically offer lower interest rates due to the reduced risk for the lender.

Unsecured loans: These loans do not require any collateral, making them riskier for lenders and often resulting in higher interest rates. They are based on your creditworthiness and ability to repay.

Payday loans: These are short-term loans intended to cover expenses until your next payday. They often come with very high interest rates and fees, making them a costly option for borrowing.

Student loans: These loans are designed to cover tuition fees and living costs for students. The main difference between a student loan and other types of loans is in repayment terms: repayments start only after you earn above a certain threshold (£25,000 or above in 2025). Interest rates vary annually; for the 2024-2025 academic year, they range from 4.3% to 7.3%. You can also make extra repayments if you want to pay off your loan faster. For further information on student loans, visit the Student Loans Company - GOV.UK.

19%

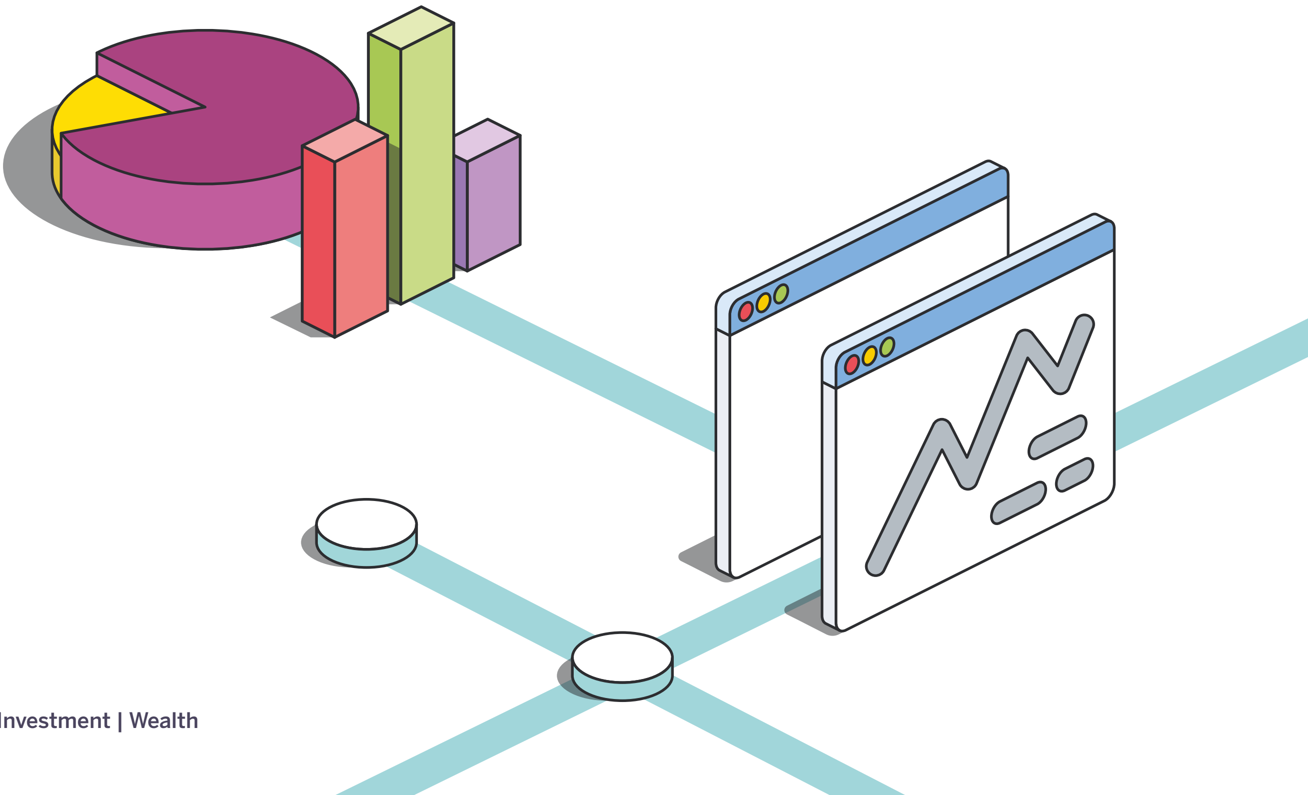
of under 35s have applied for a payday loan.[8]

Mortgages: These are long-term loans used to buy property. The property itself serves as collateral, and the loan is typically repaid over several decades. Mortgages usually have lower interest rates compared to other types of loans due to the secured nature of the loan. If you anticipate getting on the property ladder in the future, it's a good idea to plan ahead and check what you can do to build a credit score. Responsible use of credit can play a role, as can simple measures such as putting your name on the electoral register.

Investing: an overview

It's never too early to start thinking about investing – and the first step is understanding the basics.

One of the main challenges with the investing industry is that it has historically been fairly jargon heavy, making it seem inaccessible. While it might sound complicated, we've tried to break it down into simple components to help you on your journey.



52%

of 18-25 year olds invested last year.[9]

What is investing?

Investing is the process of putting capital (an original sum of money) into assets (i.e., types of investments) with the hope of achieving a greater return on investment than the original capital you put in.

Why consider investing instead of putting money in the bank?

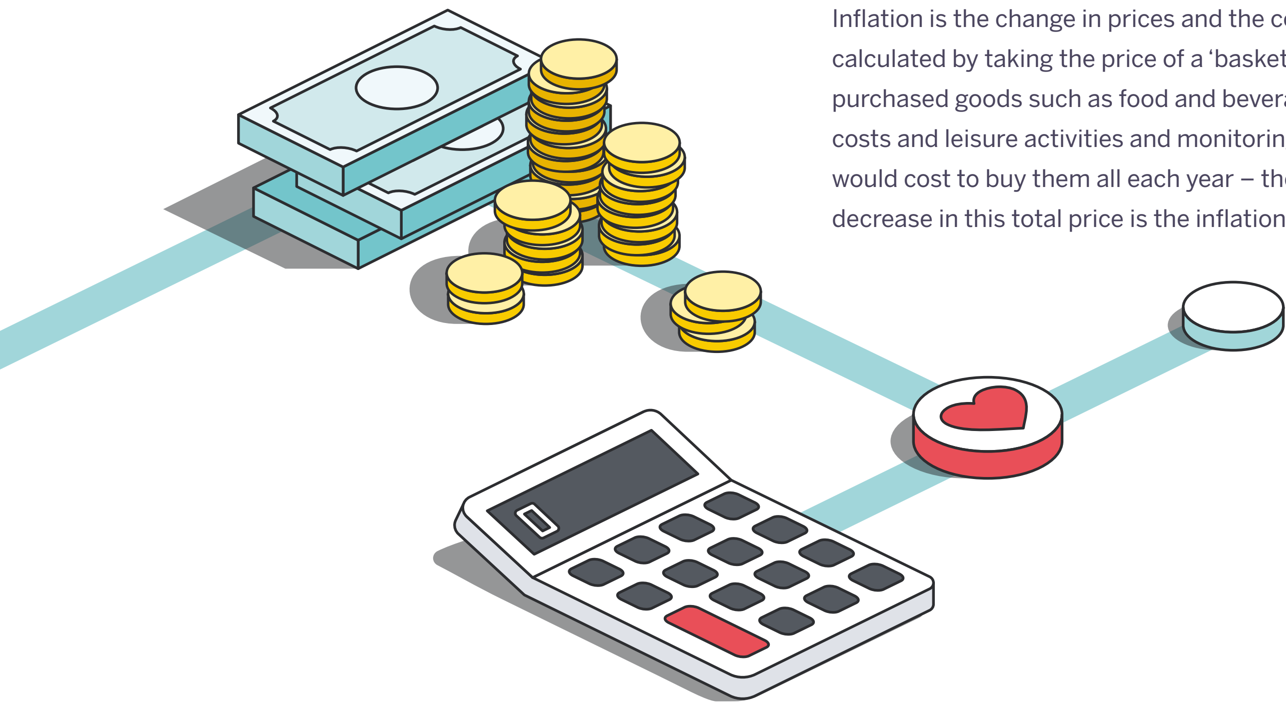
Putting money in the bank might seem like a safer thing to do with your money than investing. However, the interest rates offered by current accounts are often lower than the rate of inflation - which can mean that the value of money in these accounts will decline in 'real terms' (i.e., when inflation is factored out).

Risk in investing

Whichever way you might choose to invest, you should bear in mind that investing is for the long term. It is important to bear in mind that markets are typically subject to daily and weekly fluctuations, but over the long term, values of investments typically go up. The best plan is often to avoid scrutinising investments on a daily or even weekly basis, but rather to check periodically and try to avoid becoming spooked by short-term movements in portfolio value. Above all, it's important to ensure you invest in a way that you are comfortable with. At JM Finn, we carry out assessments to help new clients understand their own capacity for taking risk in investing, and their ability to potentially withstand financial loss.

What is inflation?

Inflation is the change in prices and the cost of living. It is calculated by taking the price of a 'basket' of commonly purchased goods such as food and beverages, housing costs and leisure activities and monitoring how much it would cost to buy them all each year – the increase or decrease in this total price is the inflation rate.



What can you invest in?

Some of the most common things you can invest in are:

Bonds, or fixed income assets: these are essentially loans to governments or companies from 'bondholders'. After an agreed fixed period of time, the bondholder receives what they paid for the bond (the coupon), plus extra income. This income provides the incentive for people to lend money in the first place.

Equities: this is another name for shares in a company. Equities can make more money than fixed income, because if a company is performing well it's possible to receive optional payments to shareholders from the company which are known as 'dividends'. On the downside, equities can sometimes be riskier than investing in fixed income assets like bonds, because if companies get into financial difficulty, as a shareholder you are more likely to lose some of the money you invested in the first place than you would as a bondholder. This is because if a company goes into insolvency (i.e., is no longer able to pay its debts), bondholders are a higher priority than shareholders to receive any money the company has left over to pay its debts.

Diversifiers: this could include investing in property, or things like precious metals, such as gold. They are often used as a smaller component of an investment portfolio primarily made up of equities and bonds, to achieve a good spread of investments.

Funds: This is where money from many different people is pooled together to buy a portfolio of lots of different assets, such as equities and bonds. Doing this can often lead to better 'diversification' than buying alone.

What ways are there to invest?

Stockbroking: where an investor decides to buy or sell some assets and instructs a stockbroker to execute (carry out) the trade on their behalf. Today, this tends to be done via an online trading platform.

Discretionary investing: this is where the investor gives their investment manager discretion to buy and sell assets on their behalf that they think will be suitable. They do this without needing to seek the permission of the investor each time. An agreed risk tolerance will be established at the outset and the manager will invest in line with this stated objective.

Discretionary investing can often be suited to people who would like to invest but do not have the time or the expertise to do so themselves. Keeping track of market movements is a full time job for our investment professionals, so opting to outsource investment decision-making to them can often be the best approach.

Diversification

It is usually a good idea to mitigate the risk of any one investment underperforming by 'diversifying' a portfolio across a broad range of different asset classes.

Particularly for equities, investing in companies across different assets, regions and sectors can benefit from growth in a range of markets.

Platforms vs discretionary wealth managers

Investment platforms: allow you to choose what you want to invest in—like equities, bonds, or funds. While this can be a convenient way to invest and fees can be lower than investments managed by a team, such platforms come without the benefit of access to the team investing your money. This typically means that you have to decide what to invest in yourself, and determine your own capacity for taking investment risk without guidance.

Discretionary wealth managers: Investment decisions are made by qualified professionals who have both the time and the expertise to spot and take advantage of market opportunities. Discretionary clients of JM Finn can view their investments 24/7 via our client portal or app, and also have direct access to their investment managers who are always on hand to answer any questions they may have.

Access to investment managers can be particularly useful during periods where markets are in a downturn – as they can help you to understand natural market behaviour and stop you panicking about fluctuations in investment value.

Active and passive management – what's the difference?

Active Investing: This involves actively buying and selling securities to outperform the market. It requires research, analysis, and frequent trading, which may result in higher fees – but also often higher returns overall. An active manager will try to outperform the market, and limit the downside returns.

Passive Investing: This approach aims to match the market's performance by holding a portfolio that mirrors a market index. It involves less trading and therefore lower fees. The downside to passive investing is that it will track the market down as well as up.

Stocks and shares ISAs

These are tax-free investment accounts where you can invest in equities, bonds, and funds without paying taxes on the profits you earn, offering higher growth potential than cash ISAs but with the added risk of the value of the ISA going up or down, just like other types of investment. Stocks and shares ISAs are a good way to start building wealth for the future, especially if you begin early (more on this later). You can start with small amounts and add more over time as your earning capacity increases: UK adults can currently pay up to £20,000 per year into an ISA free of tax, which may change under proposals resulting from the 2025 UK Budget.

25%

of 18-34 year olds invested in Stocks and shares ISAs last year (+5% YoY).[10]

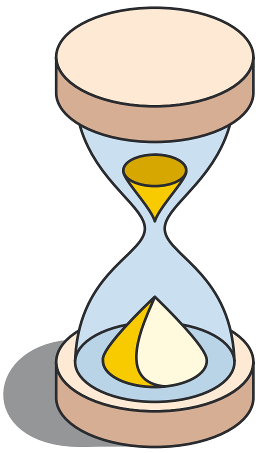
38%

of 25-34 year-olds aim to put more of their money into investments.[11]

Why start investing earlier in life?

Investing earlier in life can make all the difference when it comes to saving money for your future. This is because of 'compounding' — essentially a type of snowball effect whereby your investment continues to accrue returns over time both on the capital (the original sum you invest) and also on the interest, all (often) growing bigger and bigger over time. Investing at a younger age can mean that you need to invest less to achieve a good-sized pot by the time you need it for a major purchase.

Starting early also helps you learn good habits for managing your money. If the stock market goes up and down, you have more time to wait for it to go back up. Investing early can help you save for big things like buying a house, paying for further education, or having enough money when you retire. The earlier you start, the more you can build your wealth and feel secure about your financial future.



Pension investments

Pension contributions are a vehicle that predominantly invests in markets. If you are 22 or over and in employed work, your employer has to enrol you in its pension scheme and make a contribution to your pension pot on your behalf, which is a percentage of your salary (currently a minimum of 3%) although good employers will often choose to offer a higher percentage. You will also need to contribute a minimum of 5% of your salary – but will also have the option to set this percentage higher if you wish. As with investing, opting to maximise what you contribute into your pension from a young age can mean that you could end up with a far greater amount in your pension pot by the time you reach retirement age.

As the infographic on the next page shows, starting to invest into your pension from the age of 21 means that over time, due to the effects of compounding, you may have to invest far less money in order to achieve a substantial pot of money for your retirement than if you start saving in your 30s.

What about cryptocurrencies?

If you regularly look at social media, cryptocurrencies might be one of the first things that immediately comes to mind when thinking about investing. So why aren't they covered further up in the asset class section? This is because in the UK, most forms of cryptocurrencies are not regulated - giving investors less protection if things go wrong than with regulated investments. Cryptocurrencies are also subject to high fluctuations in investment volatility. Although the value of any investments can fluctuate up and down, with cryptocurrencies however, values can fluctuate wildly – meaning that if you need to sell your investment, you may find that the current value could be much lower than the amount you originally paid.

That said, cryptocurrencies are gradually becoming more legitimised and moving into the mainstream: it is now possible to invest in cryptocurrencies via exchange trade funds (i.e., funds that are traded on stock exchanges) in the UK, and broader regulation of cryptocurrency activities is also being planned.

Timing is often crucial when investing. Starting to invest as soon as you can could make a huge difference - as this illustration demonstrates:

20

Jane saves **£2,500 per year** from age **21 to 32** then stops.

£30,000 total investment

30

Steven saves **£2,500 per year** from age **33 to 65** then stops.

£82,500 total investment

40

By starting to invest at 21, by the age of 65 Jane achieves a similar sized pension pot to Steven despite investing **£52,500** less.

50

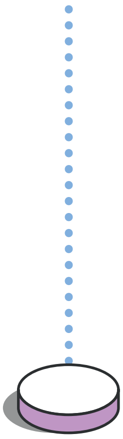
Steven invested **£82,500** and ends up with **£210,167** at age 65

However, Jane invested **£30,000** and ends up with **£209,046** - at the same age - only slightly less

60

The value of investments and the income from them can go down as well as up and investors may not get back the amount originally invested. Past performance is not a reliable indicator of future results.

Source: JM Finn. Calculations assume investment growth of 5% per annum.



JISAs, and how to manage them

Junior Individual Savings Accounts, or JISAs are savings accounts specifically designed for children. You may well have had a parent or grandparent saving into a JISA on your behalf from a young age so, depending on the amount saved, how long for and the performance of the investments, you could have a sizeable investment account – so it is worth checking with your family if you have one set up.

£9k

The annual tax-free allowance into JISAs.

Before you are 18: Neither you nor anyone else can usually access the money held in the JISA, unless you become terminally ill or pass away before you are 18.

Once you turn 16: Although you cannot withdraw money from it, you can apply to become the 'registered contact' of the account.

After you turn 18: Your JISA will be deemed to be an adult ISA account; however, it will not automatically be transferred into an ISA portfolio. Your investment funds will remain in an unmanaged JISA account unless you apply for an adult ISA or close the account.

You will have a number of options available to you at 18, including the following:

Option 01

Keep the money in your ISA account.

You can choose to apply to keep your money in an ISA and it will stay actively invested on your behalf. You will be able to add additional savings up to a maximum of £20,000 per year into the ISA.

Option 02

Withdraw the funds and transfer them into a current account.

You can sell your investments and withdraw money from a stocks and shares ISA without paying tax on the withdrawal. If you choose to place the funds into your current account, it is advisable to think carefully about whether having easy access to the money might mean you may be more likely to spend it.

It is also worth ensuring you understand the rates available from the banks and any restrictions on withdrawals.

Option 03

Withdraw the funds and spend them.

While this is an option, it may not be the most financially responsible choice. It has likely taken many years for your account to reach the sum held in it, and you should consider how long it would take you to save the same amount of money.

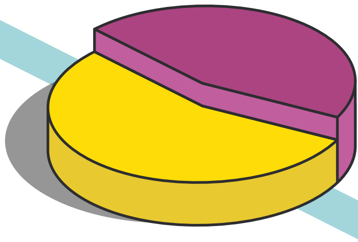
If you can afford to do so, it is a good idea to keep some or all of the money invested so that you can work towards future goals you may have, such as paying for university fees and accommodation or saving to buy your first home.

Option 04

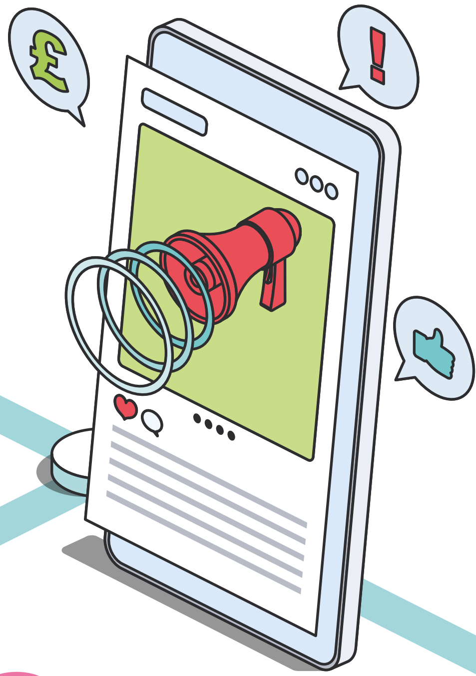
Transfer some of the funds into a lifetime ISA (LISA).

From when you turn 18 up until age 39 (or up until age 50 if you already have a LISA), you will have the option to transfer money saved in your ISA to a lifetime ISA (a 'LISA') – please note that JM Finn does not offer LISA products.

45%

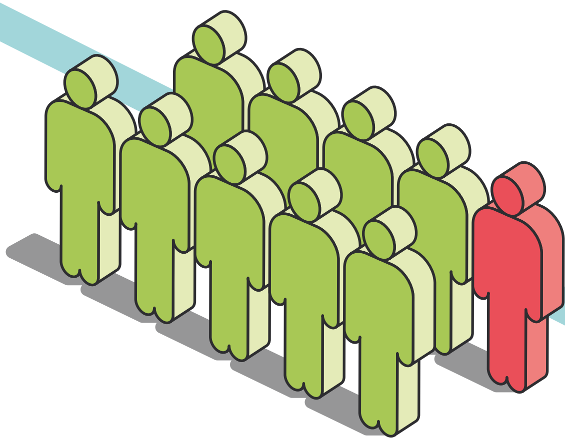


of 18–30-year-olds use online influencers and social media to learn about finances.[12]



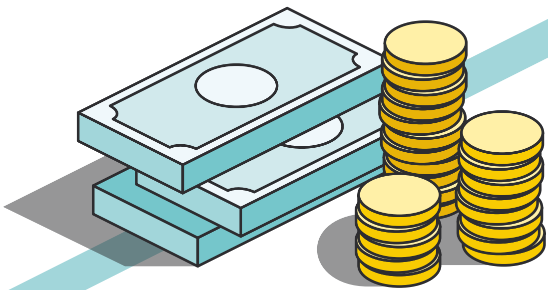
80%

of young people who watch financial influencers trust the information they give.[13]



9 in 10

young people have been encouraged to change their financial behaviour after watching finfluencers.[14]



Staying safe

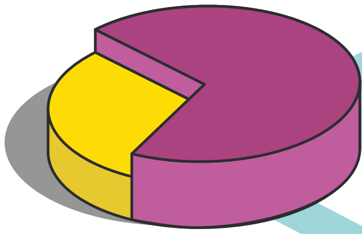
Where are you getting financial information from?

The obvious place to learn about finances is schools, but it's clear that there is still work to be done by the secondary education system to ensure that school leavers have a greater awareness and understanding of finances. Although 82% of young people want to learn more about personal finance in school, 2 in 3 don't recall having any financial education.

Filling this void in financial education are financial influencers (finfluencers) on social media platforms – most notably Instagram, TikTok and YouTube. The real problem with these influencers is that many are inexperienced investors who are not qualified to give financial advice. The Financial Conduct Authority (FCA) is the main body in the UK which controls financial advice: the institutions it governs, including JM Finn, are heavily regulated – and rightly so. Our financial advisers and investment managers undergo years of training and professional qualifications to be able to give financial and investment advice, and any general information we produce (such as this report) needs to be accompanied by large, bold, caveated warnings that information is for general purposes only and not to be interpreted as individual financial advice.

Applying this same strict regulation to social media financial influencers appears to have been something of a blind spot for the FCA until fairly recently, with many social media influencers recommending highly volatile investment products such as cryptocurrencies without any warning of the possible issues they can come with, such as the potential for losing money invested. In October 2024 the FCA announced a crackdown on finfluencers. As of 2025, it has made authorised criminal proceedings against 3 people, sent 7 cease and desist letters and issued 50 warning alerts. While regulation slowly catches up with finfluencers, you should treat what you see on social channels with a healthy dose of scepticism – especially if they are recommending a particular financial product, as the chances are they could have been paid to do so. Better sources for financial information include government websites, financial institutions such as banks, wealth managers, charities and not-for-profit organisations such as Which? Many of these reputable bodies do have a presence on social platforms, so we would always recommend using them for information instead of financial influencers.

70%

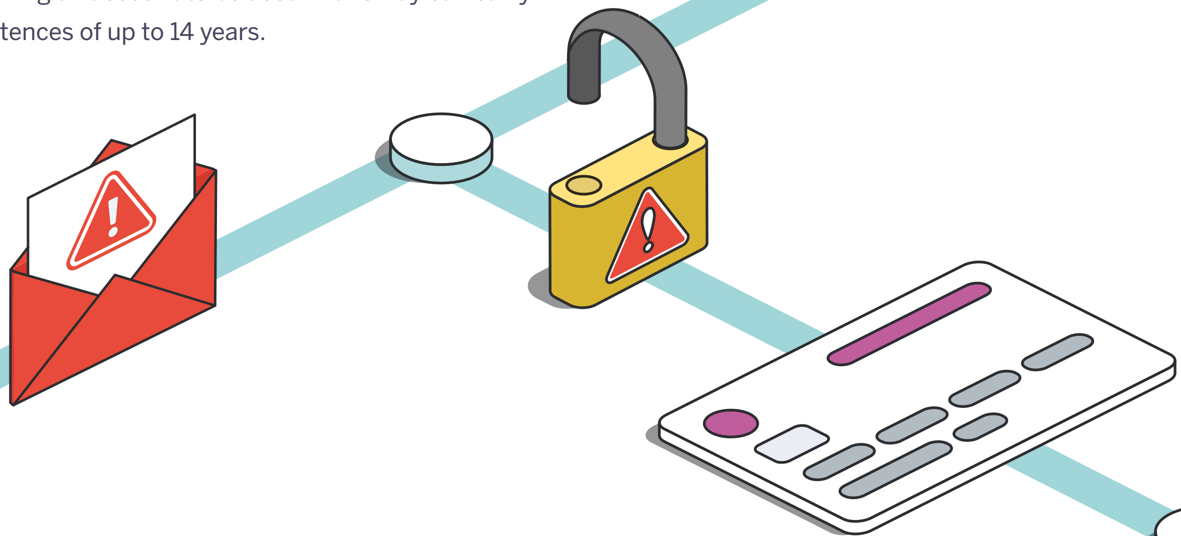


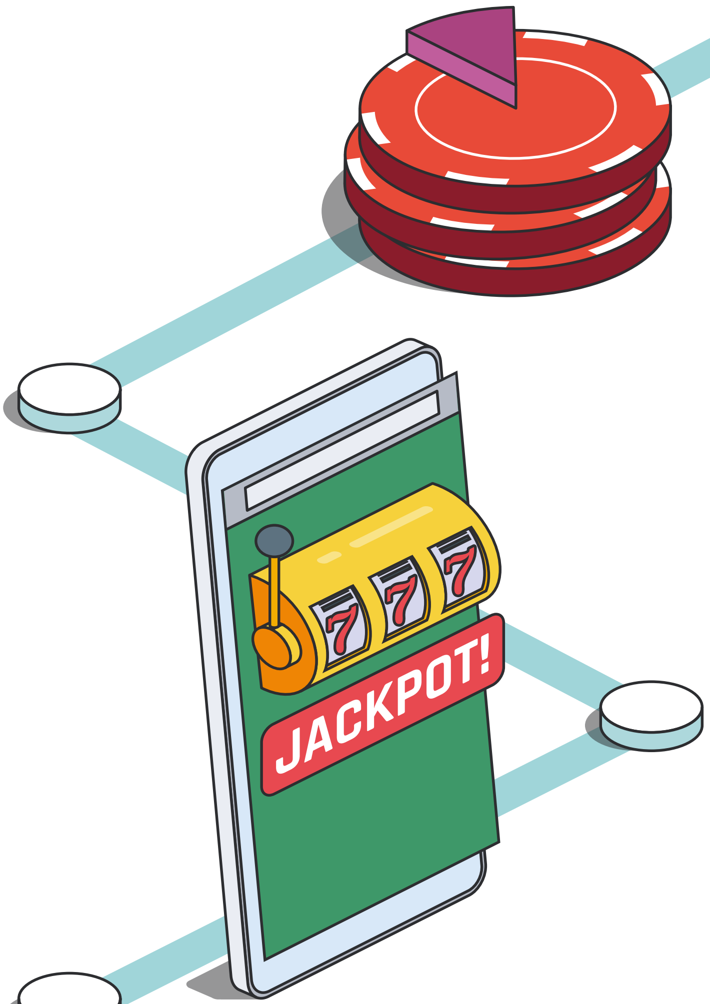
of investment scam victims are aged under 45.[15]

Scams and fraud

Think of your typical financial scam victim, and the chances are that the person that immediately springs to mind is someone elderly and tech phobic. You might be surprised to learn that investment scams disproportionately affect those aged 18-39. Why? It comes back to the wild west of social media, where young people are also disproportionately getting their financial information from. 18–24-year-olds are the most likely to fall victim to investment scams (25% of all victims).[16]

Commonly, the scams come in the form of fake investments, but can also include 'money mules.' This involves receiving money in your account and then transferring it to another – often overseas. Students are often targeted – and a third of mules are aged under 21.[17] In reality, this process is part of money laundering and allowing an account to be used in this way can carry sentences of up to 14 years.



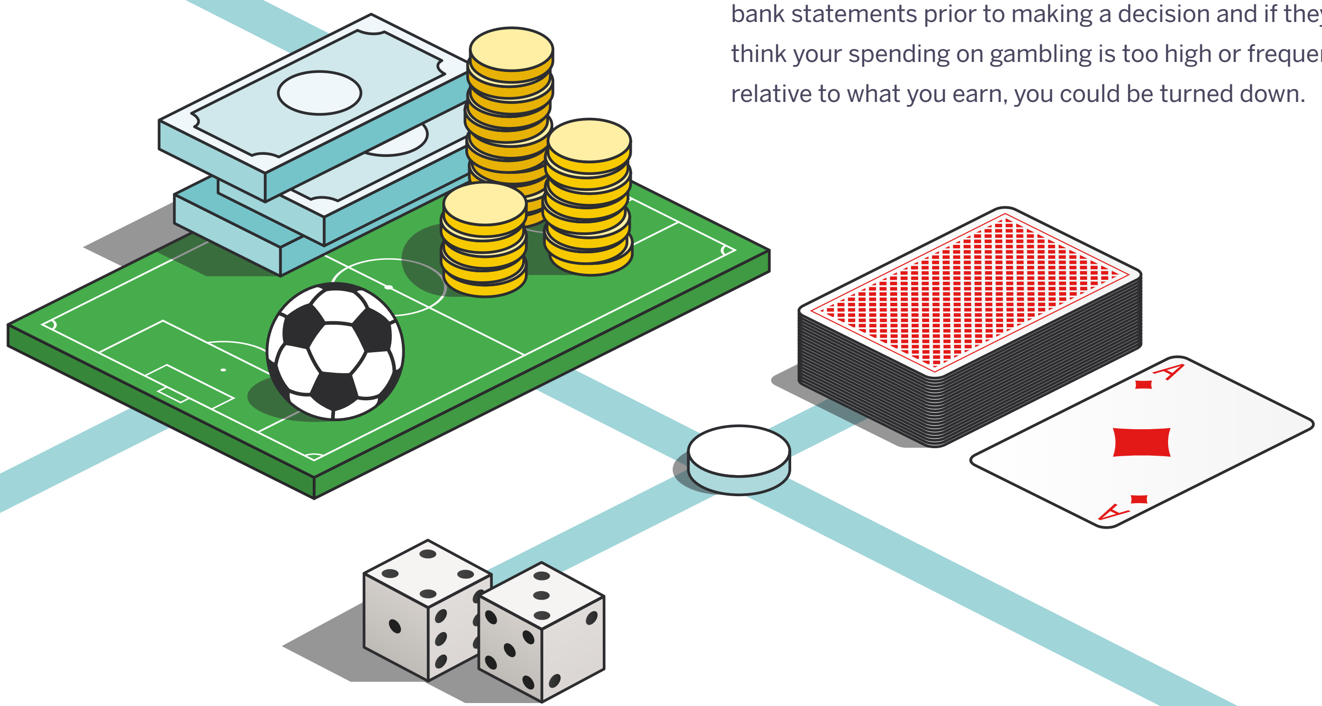


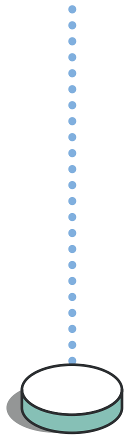
12%

of 18-34 year olds who gamble have lied to their family, while 11% have used savings or borrowed money to fund gambling.[18]

Gambling

It's an unfortunate reality that some gambling companies target young people; recent examples include an online company receiving a £400,000 fine for marketing on the children's page of a premiership football club. While the most obvious impact of gambling is that it can reduce the money you have available for other spending (resulting in debt and bankruptcy in the worst cases), your credit score can be affected if you fall behind with payments for bills or other outgoings as a result. Gambling can also impact your chances of being accepted for a mortgage application: mortgage lenders will usually analyse your bank statements prior to making a decision and if they think your spending on gambling is too high or frequent relative to what you earn, you could be turned down.

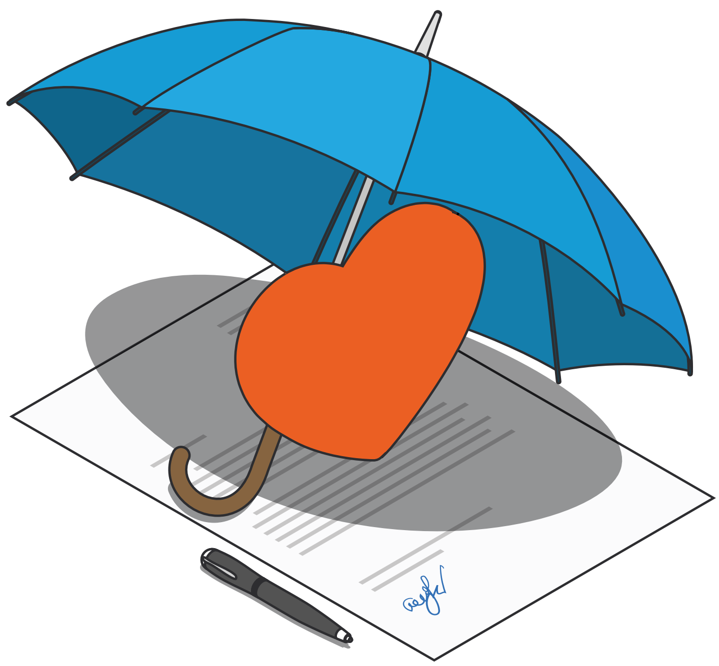




Insurance – boring, until you need it

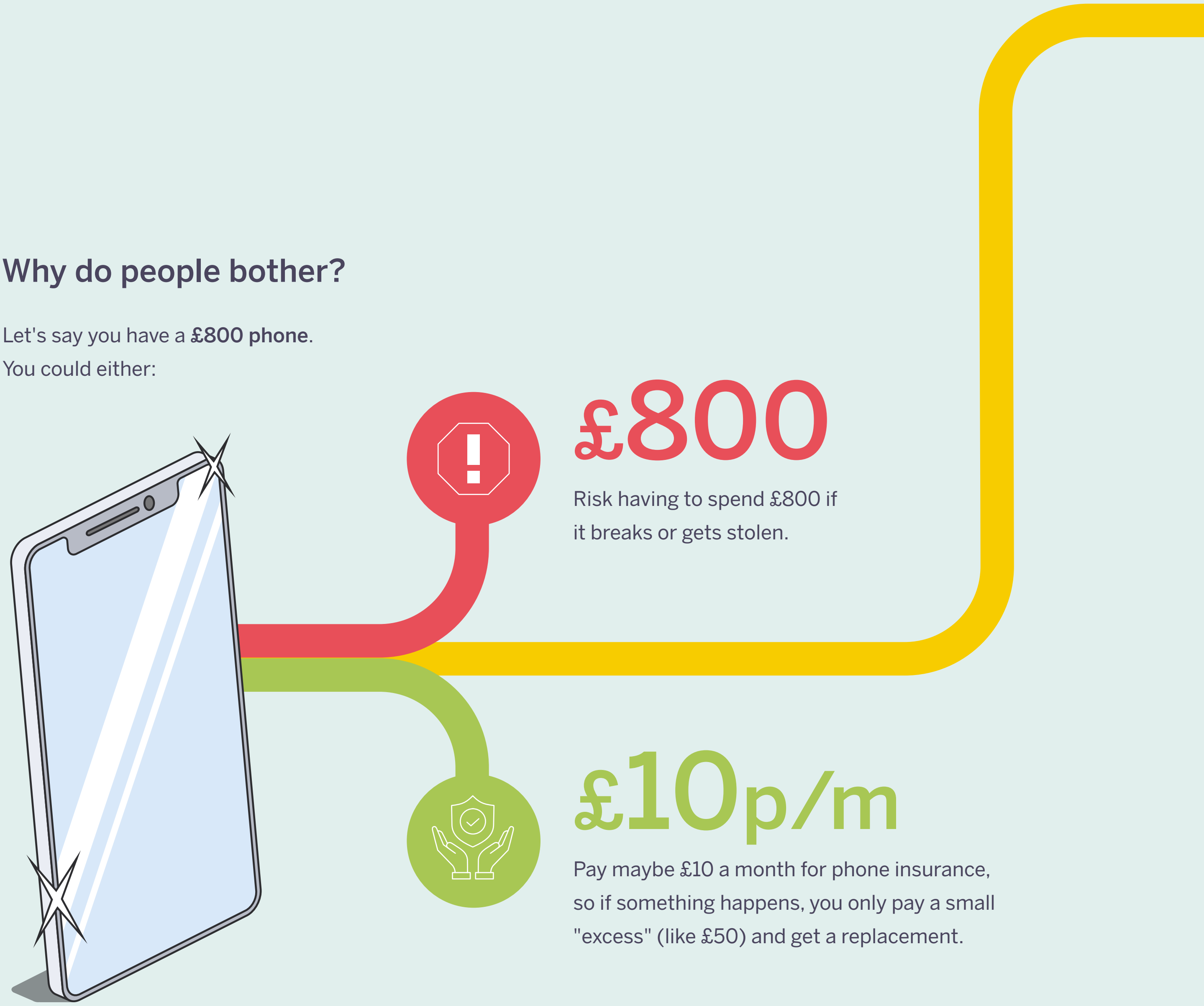
How does insurance work?

You and thousands of other people all put a small amount of money into a big shared pot every month. When something bad happens to one person - like their car crashes, their phone gets stolen, or they get really sick - the insurance company uses money from that big pot to help fix their problem.



Why do people bother?

Let's say you have a **£800 phone**.
You could either:



Insurance companies aren't charities - they make money because most people pay in but never need to claim. They're betting that you won't need help, while you're betting that you might. Most types of insurance are optional, with some exceptions such as car insurance and buildings insurance (if required by your mortgage lender). What you'll need to weigh up is whether you would rather take the risk, or pay to protect against it.

Shopping around for a policy on comparison websites can often be a good idea. When looking at the results it's a good idea to check not just the price but also what the policy includes as this can vary greatly. Another factor that can help you to determine the quality of a policy can be by looking at the rating from an independent ratings agency such as Defaqto, which rates products on a scale of 1 to 5 based on the benefits offered. 1 star indicates a basic insurance product with minimal additional benefits, while a 5 star rating denotes a very comprehensive product with many extra features.

A word of warning on insurance: you should always provide details requested by a provider when you buy insurance. If and when you need to make a claim, insurance companies can, and frequently do, check the accuracy of the information you give – and if they find it's incorrect then they can refuse to pay your claim.

Types of insurance

Motor: Car insurance is legally required if you drive. Third party is the minimum legal requirement, but you can also get third party fire and theft, or comprehensive cover that protects your own car too.

Home: This splits into buildings insurance (covers the structure of your home) and contents insurance (covers your belongings inside). If you have a mortgage, your lender will require buildings insurance.

Gadget: Protects phones, laptops, tablets and other electronic devices against damage, theft, or breakdown. It's always worth checking your contents insurance to see what it says in relation to gadgets – if it covers use inside and outside the home then you may not need a separate policy for gadgets.

Travel: Covers you for medical emergencies, trip cancellations, lost luggage and other problems when traveling abroad or sometimes within the UK. While home contents policies often also provide cover for lost or stolen items (check your policy if you have one), it would be extremely unwise to travel abroad without buying medical cover: care abroad is rarely free and costs for claims can run into the millions. Don't skip it – and keep your policy with you when you're abroad. You can opt to insure a single trip, or buy an annual policy – the latter can often work out cheaper if you're planning to go abroad multiple times over the course of a year.

Income Protection: Replaces part of your salary if you can't work due to illness or injury for an extended period.

Pet: Covers vet bills if your pet gets sick or injured. Can also include third party liability if your pet damages someone else's property. Policies are often quite restrictive in terms of what they cover and you should decide whether putting money aside in case you need to pay for pet healthcare might be preferable.

Health: Private medical insurance that lets you skip NHS waiting times and access private healthcare.

Critical Illness Cover: Pays a lump sum if you're diagnosed with serious conditions like cancer, heart attack, or stroke.

Life: Pays out money to your family if you die. Term life insurance covers you for a set period, while whole of life insurance covers you permanently but costs more.

Top tips on Cyber Security

Ensure your home computer system is supported

Use a **password manager** to help you create and remember passwords

Install the latest software and app updates

Turn on two-factor authentication on email and online applications

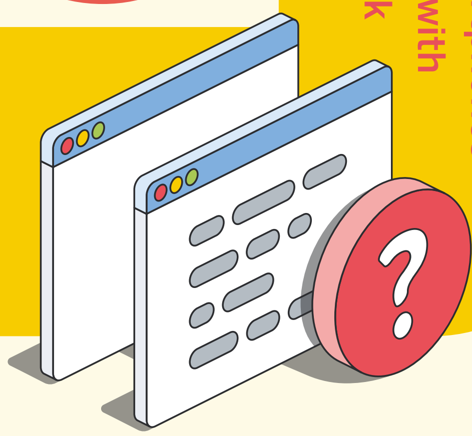
Protect your email and online accounts

Secure smartphones and tablets with a screen lock

Slow down! Cyber criminals want you to act first and think later

Be suspicious of any unsolicited messages or calls

Always back up your most important data



Cyber Security Best Practice

Below are some tips from the JM Finn special report on Cyber Security to help you protect yourself. For full information on scams and staying safe online, please refer to the full report, which is available on our website.

Protect your email and online accounts by using a strong and separate password as cyber criminals can use your email to access many of your personal accounts, leaving you vulnerable to identity theft or becoming a target of fraud.

Install the latest software and app updates, which contain vital security updates to help protect your devices from cyber criminals.

Ensure your home computer system is supported. Stay on top of updates to combat the threat of viruses and malware. It can also be a good idea to upgrade tech regularly: Microsoft's recent end to Windows 10 support highlights how operating systems can be open to vulnerabilities if they aren't kept updated.

Turn on two-factor authentication on your email and other online applications to make sure your data is secure.

Use a password manager to help you create and remember passwords.

Secure smartphones and tablets with a screen lock to offer your devices an important extra layer of security.

Always back up your most important data to an external hard drive or a cloud-based secure storage system.

Be suspicious of any unsolicited messages or calls. Even if an email looks like it has been sent from an organisation you know or trust, do your own independent research. Check the company's website to find their phone number and call them to verify. Phishing emails typically have poor grammar, punctuation and spelling.

Lastly – slow down! Cyber criminals want you to act first and think later. If the message conveys a sense of urgency or uses high pressure tactics, be very sceptical. Never let urgency influence your careful review. If in doubt, always get a second opinion from a trusted friend or family member.

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Important Notes

Investment involves risk. The value of investments and the income from them can go down as well as up and investors may not get back the amount originally invested.

The information provided in this document is of a general nature. It is not a substitute for specific advice with regard to your own circumstances.

All figures were correct at the time of going to print. You are recommended to obtain professional advice before you take any action or refrain from action. You should contact the person at JM Finn with whom you usually deal if you wish to discuss any of the topics mentioned.

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