

FINANCIAL FITNESS: **LEVEL UP**

A NEED TO BORROW: GLOSSARY

Annual Percentage Rate (APR)	The percentage cost of credit on an annual basis. You will see it advertised for any form of borrowing.
Budget	A way of planning for the money you have coming in and going out.
Credit card	A plastic card providing revolving credit up to a certain limit. It is used as a method of payment.
Credit score	A rating given to you based upon your financial history. Financial institutions use them when assessing who they should give credit to.
Credit union	Non-profit making organisations set up to provide saving and borrowing facilities to local communities.
Debt	Money that you owe.
Hire purchase	A form of credit used to buy relatively large goods. You pay back the cost over an agreed time period.
Mortgage	A financial product that enables many people to borrow the money needed to buy their own home.
Overdraft	A borrowing facility on your current account that allows you to spend more than you have in the account.
Payday loan	A very short term form of borrowing with very high interest rates and penalties for missed payments.
Store card	A plastic card that provides credit on purchases in particular stores up to a certain amount. It is used as a method of payment only in the stores it is linked to.
Reward cards (also Loyalty cards)	A card which encourages shopping at one particular store or outlet by rewarding the consumer with points they can accumulate and spend in store instead of cash or discounted products.

Level Up Your Finances:
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