



ALVIN HALL, INDEPENDENT FINANCIAL GURU, GUIDES CONSUMERS THROUGH MONEY MINEFIELD **Brits lack confidence in tackling their finances**

New research¹ from Lloyds TSB reveals that young people and ‘thirty somethings’ (35 to 44 year olds) lack confidence in tackling their day-to-day problems including their financial affairs. Some (one in three) say this is down to a lack of time but over half (52 per cent) cite a lack of confidence as the problem. A quarter of these people (24 per cent) say they actually find managing their finances ‘difficult’.

Interestingly, women tend to be more lacking in confidence when it comes to tackling problems whether that’s money matters or issues with their health or at home. Over half of women (51 per cent) cited a lack of confidence as an issue versus just over a third of men (37 per cent).

Never put it off until tomorrow

The study shows that as a nation we are all inclined to go into denial. Almost half (44 per cent) of us avoid going to the doctors despite having concerns about our health, 38 per cent dodge the dentist in spite of teeth problems and a further 29 per cent claim they stick their head in the sand when it comes to financial problems.

But we Brits admit that denial only makes matters worse and over a quarter of us (28 per cent) regret not facing up to our problems at the outset. One in four (29 per cent) of respondents admit that they have paid bills late and slipped into the red (29 per cent) because they ignored the problem in the first place.

Help is at hand

To help people tackle their financial phobias, independent financial expert Alvin Hall has created a ‘managing your money’ podcast, with top tips on tackling your financial affairs.

Alvin Hall, comments: “Everyone knows that avoidance is an ineffective strategy. The longer you ignore a problem, the worse it inevitably gets. Still, in the face of a serious problem, many erase this truth from their consciousness. It’s emotionally easier for them to stick their heads in the sand and indulge in the age-old “out of sight, out of mind”. But you need to learn to take control of the problem before it takes control of you.”

Catherine McGrath, Director of Transaction Banking at Lloyds TSB, said: “We know that keeping on top of your money can be difficult but putting a few simple changes into practice can make all the difference. Sometimes it’s as simple as setting up a standing order so that you don’t accidentally miss a payment or signing up to a text alert service so that you can keep a closer eye on your bank balance. Getting to grips with your finances puts you in the driving seat and makes you feel much more in control.”

Independent financial expert Alvin Hall has created six proven tips to help you keep out of the red and confront your finances.

1. *Keep on top of your finances.* It may seem easy to bury your head in the sand, but keeping your finances on track can help prevent you getting into financial trouble further down the line. The important thing about managing your finances is to keep a regular eye on your account and be aware of transactions in your account. You can now do this online, over the phone or at the cash machine what ever you find easiest.

2. *Avoid slipping into the red.* If you think you are going to go into the red or go over your overdraft limit, alert your bank as soon as possible. That way they should be able to help you, and therefore you may avoid paying any charges. Some banks have also introduced tools to help customers avoid charges altogether, such as a limit alert service, text message service. And finally don’t be afraid to ask for help – avoiding the problem won’t make the problem go away, in fact it could make it worse.

3. *Detail the problem in writing.* If you are experiencing financial issues, write down the full details of the problem. List each amount you owe, the annual interest rate you’re paying, and the company or person to whom you owe it. Start with the biggest amount and end with the smallest, and compute the total debt. Now you have a full picture of the problem and can begin to devise a plan to correct it.

4. *Set two deadlines: the date on which you will have a strategy in place to handle the problem, and the date on which the problem will be resolved.* Leaving a problem open-ended means you are drifting, not travelling, toward a resolution. By setting

specific deadlines, you force yourself to take action. You also give yourself a beacon of hope—a date that represents the light at the end of the tunnel.

5. *Create a plan that includes a series of clearly-defined tasks that move you toward resolution.* The problems we fear often loom so large that any action we might take seems inconsequential. To overcome this feeling, break the problem into bite-sized pieces: “First, I’ll open a savings account. Then, I’ll cancel one expensive magazine subscription and bank the money I save. Next, I’ll bring lunch from home for a week instead of eating out with my friends. Then I open up my last few bank statements and balance my account.” Make a list, and give yourself one task to tackle each day. Do this every day, and you’ll eventually discover that on some days “the force will be with you”—you may get two, three, or four tasks accomplished. Congratulations! Soon your massive mountain of a problem will be looking much more manageable.

6. *Keep up your spirits by giving yourself small rewards.* As you work on your financial plan, let yourself enjoy periodic low-cost treats to keep the fear of deprivation at bay and provide motivation—a dinner out, a pair of shoes, a book or CD. But remember—these treats must be associated with reaching a stated goal or benchmark from your plan, not just with a vague feeling of, “Oh, I deserve this,” or “I’ve had a tough day.” Reward yourself for doing the right thing, and you’ll find that doing the right thing gradually becomes easier and easier.

For further practical advice on how to get to grips with your finances and to download Alvin Hall’s ‘fighting financial fears’ podcast visit www.needtoknowaboutbanking.com.

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Notes to editors:

¹ Research based on an independent online survey conducted by Canvasse Opinion on behalf of Lloyds TSB. A total of 1007 interviews were conducted across Britain, amongst adults aged 18 and over. Interviews were carried out between 12th – 14th September 2007.