

SCENARIO B

Jake is desperate to get a laptop. All his mates have one and he wants to be able to download stuff from the Internet. He has seen an offer online for the kind of kit he wants but it will cost him £400.

The company doing the deal are offering credit of 19% APR and he can pay back what he owes over 36 months.

He is not sure whether he can afford this. He then sees a laptop advertised in a local shop that sells all sorts of gear. It is only £700 and has all the stuff on it he needs. The guy in the shop is offering him really low payments each month. He said it would be easy to sort for him and he could sort out insurance on the loan too.

Jake also has a credit card. The bank offered him this when he first opened his account last month. They are offering 0% interest on purchases and balance transfers for the first 6 months. Jake thinks if he can clear the debt quickly that would be a great deal.