

# Avoiding High Interest Debt

Don't let your money work against you; make sure to avoid high-interest debts.

What do we mean by “high-interest”?

In the UK, high-cost short-term credit is defined as unsecured loans with an annual percentage rate (APR) of **100% or more**.

## What does this look like?

If you are charged 100% APR on a loan, your debt will double in a year. This means that **if you borrow £100**, you will **pay back the original £100** (principal) **plus £100 in interest**, for a **total repayment of £200**.



# Comparison



## Credit Union

Fixed, affordable

**Repayments**

Can increase with fees

Fair & transparent

**Interest**

Often very high

Direct from your pay

**How to Repay**

From bank account

Member-focused

**Support**

Transaction-based



## Payday Lender



### Consolidate Your Existing Debts with a Credit Union Loan

*Loans subject to status and affordability.*