



Think twice before you spend this Christmas

Despite the massive blow out to the cost of living in Australia we are, according to some web-based sites like Statista and Roy Morgan, set to spend approximately \$64 billion. With Queenslanders set to spend \$13 billion of that alone. That is a rise of 4.6% compared to the same time last year.

We all love to give gifts to family and friends especially for Christmas. However, there may be a price to pay for the privilege. Many people, especially marginalised and financially disadvantaged, will take out a consumer credit loan or product to buy those gifts, especially for children, and will then need to make payments to pay down the loans after Christmas.

The older practice of using credit cards to fund purchases has essentially given way to the Buy Now Pay Later (BNPL) products which are more surreptitious in nature as there are no credit checks involved in getting the product. The borrowed money is usually repaid over four instalments, but the catch is that a customer can have a few of these loans with the same or other providers. As they do not charge interest that is captured by the National Consumer Credit Protection Act 2009, they make a lot of money on late payment and non-payment fees thus setting a cycle of indebtedness and gross profit for the lender. The borrower will then be placed in the stressful position of trying to catch up on payments from a low or fixed income.

There are several practical steps you can follow to have a great Christmas, without it being a financial drag on resources and a stress factor in the New Year.

- Set a budget and stick to it
- Repurpose older gifts
- Make your own gifts
- Go op-shopping, it is amazing what you can find
- Be practical about what you buy for the children and set a limit on the number of gifts each will receive
- Don't leave it to the last moment. This causes impulse buying and will probably cost you more in the long run
- And the main point is do not use credit to purchase Christmas gifts. If you cannot afford it, don't buy it

We here at Tenants Queensland hope you have an inexpensive, safe and happy Christmas or however you celebrate your holiday season.

If you find yourself in financial trouble, you can access our free financial counselling service by calling 1300 744 263.