

Session 4 – Borrowing & Avoiding Scams

Key Worksheets in green are a compulsory part of the accreditation criteria MWB 5 = Money Works booklet page 5

Outcomes

YP will increase their understanding of what debt is

YP will increase their understanding of different borrowing options

YP will increase their understanding of the true and total cost of credit

YP will be more aware of scams they may be targeted with YP will be aware of the dangers of money muling

Section/objectives	Method	Materials	Time
INTRODUCTION	l		
Start-up			
Welcome learners, reintroduce MyBnk & yourself	Trainer input	Name labels & Register	5
 Briefly cover outline & objectives, reviewing previous session topics 		Whiteboard / flip chart	mins
 Review YP's list of 'things they want to get out of the session', and add any new ones they may have, and tick off any they feel we've covered in S1-3 		Pens & Blu Tack MW PP	
 Review community agreement, see if anything needs to be added 			
Why Borrow & Where From?			
• Facilitate a discussion about what borrowing is, and get groups to brainstorm on paper 'Where people borrow from'? & 'Why do people borrow money?'	Group discussion &	Whiteboard / flipchart	10 mins
• Group feedback with trainer drawing a spider diagram on a flipchart to show different ways to borrow.	Brainstorm	Trainer info – Borrowing Brainstorm	
 Using the spider diagram, talk through the features of different types of borrowing & define what credit is ('buy now, pay later') – get YP to differentiate which ones on the board are loans & which ones are credit 	Trainer facilitation		
What gets paid on borrowing? Interest! (Re)define APR			
• Run through each type of borrowing, and add average APR amounts to each one, explaining the high ones e.g. payday loans		Borrowing Worksheet (MWB 15)	
• Highlight which ones might be seen as good reasons to borrow and good places to borrow (when you INVEST in something e.g. business, uni, house)			
Get YP to then <i>describe</i> three forms of borrowing in their booklets			



 APR Game Give out 1_{st} stage cards of places to borrow from to gain a £400 TV Run through the different ways to borrow (NB remind them what APR is) Ask the group to order the cards based on what they think they will cost TOTAL (including the interest) Stress that the LONGER you take to pay loans back, the more expensive they become Draw attention to high APRs for short term loans, as they were never designed to be paid back over a year Reveal the answers with the 2_{nd} stage cards, and explore how they feel about the types of lending or credit on offer 	Group activity Trainer facilitation	APR card laminates	10 mins
Who is Responsible? Show YP who is responsible video and discuss their opinions – the headline here is that banks won't necessarily block people who shouldn't borrow so it's up to us to do the math and see if its viable	Video	Nomo gets a payday loan video	10 mins
Credit history			
 Explain credit history, and that everyone aged over 18 years will have a record Discuss with YP how credit history is calculated and what it means for them personally – the consequences, how long items remain on their history, how it 	Trainer led discussion	MW PP Trainer Info - Credit History & Reports	5 mins
can affect the APRs you're offered for credit in the future.			
Discuss ways to improve credit history from PP			
Optional: True or False Quiz			
Run through the activity on the slides (answers are in the Trainer info doc)	Class quiz		
Know Your Noddle			
 Introduce YP to website Noddle - explain what credit referencing websites do and what they offer. Highlight free versions vs paid for options Introduce credit report laminates – hand them out and allow YP to familiarise 	Trainer presentation	MW PP Noddle credit report laminates (1 per pair / small group)	10 mins



themselves with the look of the report – what can they glean from it?	Small group		
 Highlight key areas e.g. missed payments, default, score out of 5. 	review		
Based on their knowledge ask YP to form their own opinions of the reports.		Trainer info – Credit History &	
• Ask them whether they would approve or deny the credit options listed on the PP based on the report they have in front of them		Reports	
Higher Ability / if relevant & enough time (offline activity available)			
Get YP to register with Noddle, and check their credit score			
 Facilitate the process, explaining why they need to submit their card details, reminding them to check that the website is secure 		Laptops / tablets	
• Ensure their credit history remains confidential, and take individual questions that YP have about what their record is showing			
Discuss specific things YP can do to improve their score moving forward			
Section/objectives	Method	Materials	Time
DEALING WITH DEBT	Г		
Dealing with Debt			
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Begin by defining debt – not only does it occur if you miss borrowing	Small group	Debt Consequence laminates	15
Begin by defining debt – not only does it occur if you miss borrowing repayments, but also if you miss bill / fine payments (e.g. phone, parking)	activity	Debt Consequence laminates	15 mins
Begin by defining debt – not only does it occur if you miss borrowing	activity Trainer facilitated	Debt Consequence laminates	
 Begin by defining debt – not only does it occur if you miss borrowing repayments, but also if you miss bill / fine payments (e.g. phone, parking) Hand out the different debt laminates and get group to prioritise them in 	activity Trainer	Debt Consequence laminates Dealing with Debt info sheet	
 Begin by defining debt – not only does it occur if you miss borrowing repayments, but also if you miss bill / fine payments (e.g. phone, parking) Hand out the different debt laminates and get group to prioritise them in order of what they think should be paid off first, and to explain their choices Hand out the consequence cards and get YP to guess what matches with 	activity Trainer facilitated	·	
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 Begin by defining debt – not only does it occur if you miss borrowing repayments, but also if you miss bill / fine payments (e.g. phone, parking) Hand out the different debt laminates and get group to prioritise them in order of what they think should be paid off first, and to explain their choices Hand out the consequence cards and get YP to guess what matches with which debt (NB credit history is a trick card that covers most of them!) Feedback, offering correct answers and explaining each one Ask YP, if u had ALL these types of debt, now you know the consequences, which would you pay back first? Rearrange cards from top to lowest priority 	activity Trainer facilitated	Dealing with Debt info sheet	



, a contra				
	Dealing with Debt sheet which tells them what are priority debts			
•	The groups then have 4 minutes to decide the order in which they should pay their debts, and will take it in turns to run to the debt collector with a suggested priority debt laminate (blue ones only).		Chocolate coins for winners	
•	The Debt collector requires all the priority bills to be paid first – either taking the laminate if correct, or sending them back if not.			
•	The first group with all their priority debts paid first (in any order) wins			
A	LTERNATIVE: Find 5 (good for LA / ESOL)	Colit group		
	1 set of 'debts' (blue colour) from the laminates is stuck up around the room, with the trainers having 'marked' the priority debts with a 'PRIORITY' post it on the reverse (so the YP are unable to see it unless they take it off the wall)	Split group activity	Debt Consequence laminates Blu tak Post its	
	 Groups have 4 minutes to walk around the room, and choose 'five' debts that they think are priority – i.e. have consequences that would seriously affect the borrower. They can make a note of their decision on their post its 		Chocolate coins for winners	
	 The trainer then facilitates each group to have a YP come up & 'pick' their guesses one by one. They pick by taking the laminate off the wall and checking the reverse. Groups that get one right can get chocolate coins 			
	 After each debt that has been picked, the trainer can 'stick' up the relevant consequence against each one & explain them 			
	 The activity can be followed up by individual groups getting a set of blue debt laminates and ordering them into priority order. 			
	 Trainer to hand out the Dealing with Debt info sheet after the activities. 			
Т	he Debt Diary – what occurs when you're in debt?			
•	Run through the process that someone who misses repayments can go through, from an initial reminder letter to a potential CCJ	Trainer input	MW PP	5 mins
•	Use the PP slide to also show how each step accrues charges & interest, and also affects one's credit history		Trainer Info – Debt Diary	



Include information about bailiff and the rules that they should follow.			
 Summarise by asking 'what could stop this process from escalating?' – communicating with creditors very early on 			
Section/ objectives	Method	Materials	Time
Where to get help	Trainer	Dealing with Debt Helpsheet	
 Signpost YP using the 'Dealing with Debt Helpsheet' 	Facilitation		
Debt Summary			
Get YP to note 3 priority and 3 non priority debts on their worksheets	Individual	Borrowing Worksheet (MWB	5
YP to write 2 suggestions of what to do if they are in debt on worksheets	activity	15)	mins

Section/objectives	Method	Materials	Time
RESPONSIBLE BORROW	/ING		
Responsible Borrowing			
Run through what to consider when borrowing using the 'Watch your BACK'	Trainer	MW PP	
acronym	presentation	Trainer info – Watch your back	
AVOIDING SCAMS			
What is a Scam?			
Define scams to young people	Trainer	MW PP	5
 Ask what scams they know of and if they have ever been affected or know anyone that has been scammed? 	Presentation		mins
Film vs Real Life			
Show YP the video Scams vs Real Life	Learner discussion Video	COD Scam video	
 This scam is called a 'Cash On Delivery' scam – while not as popular any more, it can still happen. Died out due to the decrease in COD services legitimately offered by companies. Emphasis should be on the harm the scam is causing, not how clever it is. 			5 mins



Money Muling				
Explain to YP what Money Muling is and show the video	Trainer	Money Muling Video	10	
 Important for trainers to mention to students, the risks are the same for 	facilitation		mins	
any young person				

Section/objectives	Method	Materials	Time	
 Wrap Up: Review accreditation booklets, and ensure all YP have signed & dated 	Learning	Whiteboard / flip chart MW Booklets / folders with	Whiteboard / flip chart	15
their books, and written in their DOBs	review		mins	
QR code game to end & review learning	Individual completion of	previous completed sheets		
Answer any remaining learner questions & signpost where necessary Cet VD & youth worker to complete and line questionneites.	feedback	Relevant End line questionnaires Money Works certificates		
 Get YP & youth worker to complete end line questionnaires Hand out certificates, and congratulate leaners on completing the course! 	forms Certificate			
 Explain that they will receive their accreditation certificates & MW booklets in the post in a few weeks 	presentation			
 Thank learners & wish them luck for the future! 				
	•		2 hrs	