

Meet Bex and James. They've had a challenging time managing their money and keeping on top of bills. Find out more about them, our guidance and the steps they have taken to get back on track.



### Their story

Bex and James were both employed, earning good income and bought their first home 2 years ago with support from parents.

It hasn't been easy paying a big mortgage but they had been making ends meet until Bex lost her job last month.

Now, with only one income and no savings they have a significant shortfall in income. Bex and James try not to ask their parents for additional financial support unless it is absolutely necessary. They are now really worried about how they will survive until Bex finds a new job.

#### Banking profile

Transaction accounts	Personal loan of \$10k	Credit card limit - \$10k Balance - \$5k	Mortgage of \$400k
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### Recommendations for Bex and James

- Review spending to see where their money is going. Useful tools - [Income and expenses template](#) and [Track my Spending](#)
- Cut back on any non-essential spending
- Stop any memberships or subscriptions that they don't use - gym, newspapers, and media subscription
- Review and negotiate their essential bills to ensure they get the best deals that work for them - power, phone, and internet
- Review their bank accounts to ensure they are not paying unnecessary fees
- Talk to their bank about the financial impacts they have experienced and enquire about possible relief options such as loan repayment holidays, switching to low interest rate credit cards or debt consolidation



### What Bex and James did

- Bex and James reviewed their spending and found some reductions they could make in their day-to-day spending
- They also cancelled their Lightbox subscription that they weren't using, as well as James's gym membership - he's been enjoying the new routine of jogging and doing online classes he started during lockdown
- They switched their power and internet plans and saved a minimum of \$100/month including a number of power shout hours
- They reached out to their bank and discussed options to reduce their financial stress. They have been approved for a 6 month mortgage repayment holiday and have also restructured some of their debt to make repayments and interest easier to pay off
- Bex and James started a reduced income budget and feel a lot more confident in covering their essential spending for the next 6 months

#### Considerations when making financial choices

Mortgage deferral provides temporary relief but the interest will continue to be added to your loan at each payment date. You will end up paying more over the life of the loan, either by increased future payments or a longer loan term.

