



There are lots of ways to borrow money. Choosing which one's right for you depends on your circumstances and what you need it for. So here's a quick guide to help you find your best way to borrow.

What will you use the money for?

Try to work out an exact amount if you can, whether it's for a one-off cost, or to cover expenses over a longer period.

Work this out based on your estimated budget for as far as you can plan ahead.

Based on how much you need and what you can afford to repay, will you be borrowing for a set, or indefinite, period?

You could set up an arranged overdraft.

Have you ever run out of money in your current account sooner than expected? It's easily done, especially if a bill comes out of the blue. This is where an arranged overdraft can be really handy, to help tide you over until your next pay cheque.

An arranged overdraft is like an extra pot of money. You set up an agreed amount with your bank, and it's there to dip in to should you need to.

Arranged overdrafts should only really be used for the short term. If you need a bit more flexibility, then it may be cheaper to consider another way to borrow.

You need to set up an arranged overdraft with your bank before you start using it. Otherwise, if you try to make a payment without having enough money in your account, it will fall into what's called an unarranged overdraft. This still lets you borrow the money, but you'll be charged extra interest and fees. So, it's much better to arrange one with your bank first.

If you're keen to set up an arranged overdraft, then find out if you're eligible. Visit www.hsbc.co.uk/overdrafts

You could apply for a credit card

With a credit card, you have the flexibility to spread the cost of the things you buy. Unlike an arranged overdraft, you get a separate card, separate account and a separate credit limit. And this can be used for lots of different purchases - from your weekly food shop to something more expensive, like home improvements

If you get accepted for a credit card, you'll be given a credit limit. This is the total amount that you can spend up to.

Repayments towards your credit card will be made monthly. You can choose to pay off any amount between the full balance and the minimum payment. But keep in mind - the more you repay the less interest you'll be charged overall.

Keeping on top of the monthly repayments is really important, as any missed payments could lead to extra costs and charges, and it may also make it more difficult for you to borrow in the future. That's why it could be a good idea to set up a direct debit

If you think a credit card could be a good choice for you,
and you'd like to find out more, visit www.hsbc.co.uk/creditcards

You could apply for a loan

If you need to borrow money for a big purchase, such as a car or home improvements, a personal loan could be right for you. This is when money is given to you upfront, usually paid straight into your bank account, which you then pay back over an agreed amount of time.

Because you get all of the money you're borrowing upfront, you will also be able to see the total amount you'll end up repaying, and how much each monthly repayment will be.

But this also means you'll start paying interest from the day you receive the money. That's why if you're looking for a short-term safety net, you're better off looking at other options.

Usually with a loan, you can choose how much you'd like to borrow, and the number of months to pay it back. Although it's worth keeping in mind that the more time you take to pay back the loan, the more interest you may pay overall.

To find out more about how our personal loans could help you visit www.hsbc.co.uk/loans

We've just explored three different ways to borrow money. As a quick recap, there is...
A handy extra buffer on your current account, which you only pay for if you dip into, but can be expensive to use long term.

A flexible way to pay with a separate card, separate account and separate credit limit.
You can pay it off in full each month, or spread the cost with smaller repayments.

An upfront amount of money usually paid straight into your bank account.
Fixed monthly payments make it easy to know what you'll have to pay back each month