



From the Deputy National Welfare Adviser

24th April 2020

Dear Area/Branch Secretaries, Welfare Officers and Shipmates

CORONAVIRUS (COVID 19) – SURVIVING ISOLATION 3 (FINANCE)

RNA sends all shipmates best wishes as we continue to week 6 of lockdown and social distancing. The last briefing provided advice on protecting the mind. This one looks at protecting your finances as lockdown looks set to continue although under regular review. However do not forget the key advice to all remains as **Stay at Home to protect your life, others' lives and the NHS.**

We all need to try to keep our finances shipshape during this period of uncertainty whether on pension, employed or self-employed. This briefing gives some commonsense advice, guidance and supplements expert advice and support available from other sources. **So what can you do to protect your finances?**

Why not make a will? This may seem strange advice to start the briefing with but making a will ensures that, should you cross the bar, your money will go to those you wanted it to. Far too many people do not have a will. It is not difficult nor need it cost anything. You can engage a solicitor or will writing service with costs of a simple will between £144 and £240 and a complex will between £150 and £300. Free Will writing is available from a number of charities including the Royal British Legion (<https://www.britishlegion.org.uk/get-involved/ways-to-give/leave-a-gift-in-your-will/free-will-writing>) or others in exchange for a donation.

In stationery stores there are low-cost templates available and also online low cost templates (eg <http://www.lawpack.co.uk/> at £19.99) or free templates (for simple wills only) at the legal advice site <https://www.compactlaw.co.uk/free-legal-documents.html> .

Complex finances or wishes should always be checked legally or written with legal advice. Only write your own will if your wishes are very simple eg if you're married and want to leave everything to your spouse, and – should they die before you – you then want to leave everything to your children.

Why not leave a legacy to Royal Naval Association (RNA)? Having mentioned the importance of a will, can I suggest that all shipmates consider remembering the RNA in their will? Why you ask? As a member you will have chosen to be part of RNA and have enjoyed its comradeship having been part of the Navy family. Your legacy will help the RNA to continue to support shipmates old and new.

Direct benefits to members and shipmates include Support to those in need; Advice to next of kin when they need it; Provision of facilities for bringing Members together; Providing relief for those in hardship or distress; Advice to veterans and those still serving or about to return to civilian life and finally to Perpetuate the memory of our Shipmates. All good things. It is simple to arrange and a copy of a leaflet about legacy with appropriate wording for your new will or a codicil for an existing will are included.

Have you thought of a Property and Finance Lasting Power of Attorney (LPA)? Should you be unfortunately become incapable of making decisions for whatever reason having one of these eases the situation for family and others at a difficult time. It enables relatives to access your money to pay for your care. Without an LPA, loved ones would need to apply through the court, which can be long and costly. So getting this sorted is important.

LPAs do not need to be complex but do need to be clear. Costs to register them are £82 in England and Wales, £79 in Scotland and £151 in Northern Ireland. You are not giving up control over your life by having an LPA as **you can choose whether it can be used either before, or only when**, you lose mental capacity. Your designated representative should only ever make a



choice for you if you're unable to make that specific decision at the time it needs to be made eg if you fall into a coma, your representative would start looking after your affairs. However if you wake from the coma (hopefully), you should be able to make your own decisions again.

Are you struggling with your income? Everyone's cash flow is under pressure as lockdown continues whether you are on a pension, employed, furloughed or on benefits. Managing your money and use of credit wisely is more important than ever.

Have you drawn up an emergency Budget? Everyone's personal situation is likely to have changed a lot recently with less spending on social activities or travel but with an increased food bill. Even those who do budget need to review their spends, particularly if income has decreased. Why not check again on the ins and outs from your account and make sure you have enough for essential bills such as food, mortgage/rent and utilities. Moneywise.org.uk has a useful budget planner at <https://www.moneyadvice.service.org.uk/en/articles/coronavirus-and-your-money>.

Monitor your bank balances and prioritise payments. Using online banking or an app makes it easy to check your transactions and debits. Think about changing the dates of direct debits or standing orders to match your money coming in. Decide what's important and pay what has to be paid first, the essentials such as rent or mortgage to protect your home, council tax and energy bills. Keep track of the others and plan to repay eventually.

Check if you have been given an interest free overdraft. Some banks (Halifax, HSBC and Lloyds) are applying a £500 overdraft automatically whilst Barclays is offering £750 on pre-agreed overdrafts from May onwards. With others it's worth asking.

Check if your loan provider will offer a 3 month freeze on payments. The Financial Conduct Authority (FCA) on behalf of the government is seeking to introduce this soon for car loans, high cost loans such as rent to own etc and one month for Payday loans

Remember do not just cancel payments on anything! Always talk to your provider and agree it first. Also any deferment or freeze is not free money but will have to be paid back at some point possibly with interest so only do this if you really need to

What if I have to use credit to manage? This is being forced on many but there are some simple things that may help keep it manageable. **Try to pay off more than the minimum every month on cards** as it will reduce your debt more quickly and use a direct debit to cover at least the minimum so you do not forget. **Pay the most expensive credit card off first** if you can and do not forget to check your APR as many cards are offered with a low initial rate that increases after a year or so. **Consider switching your credit card to a 0% APR deal** if you can find a deal as it will help with managing debt but **do look out for the amount of transfer fee charged.** These vary a lot between providers. **Think about increasing or decreasing your credit limit to cope in the short term: always be sure though that an increase is necessary and whether you can afford to pay back** the higher interest and debt. Ask your credit card provider if they will give you a 3 month freeze on your debt.

Have you an instant access savings account? Although interest rates are low if you can build up some cash savings it means it can help in the event of unexpected spends so you can avoid borrowing just to cover everyday expenses. It's a good habit to have anyway for the future.

I can't pay everything, what else can I do? The first is to take a breath and realise you are not alone, there is help and support that you are entitled to everyone's circumstances will be different. Having gone through the above then other questions are below but do ask for help if you need it.



Am I eligible for financial support? Check out and make sure you get everything you're entitled to. The government guide <https://www.moneyadvice.service.gov.uk/en/articles/coronavirus-what-it-means-for-you> gives comprehensive details of what support you might be able to claim now if you're employed or self-employed. There is a Freephone 0800 138 1677 and a webchat facility.

Is Universal Credit Scheme (UCS) available to me? If you are on low income or out of work or you or partner are under State pension age or have less than £16K savings between you then you may be entitled. The minimum income floor for UCS has been removed and the need to visit a job centre relaxed. See Department of Work and Pensions website <https://www.understandinguniversalcredit.gov.uk/employment-and-benefits-support/>. You can check your eligibility anonymously and for free by using an online benefits calculator such as at <https://www.turn2us.org.uk/Benefit-guides/Beginner-s-Guide-to-Benefits/Checking-benefit-entitlement> or <https://www.ageuk.org.uk/information-advice/money-legal/benefits-entitlements/benefits-calculator/>. Advances on UCS if approved are possible as well.

How do I manage debts I can't pay due to Covid 19? If you are struggling then urgently speak to your creditors to make them aware. They do want to help and being upfront can help to come to a short term arrangement. If meeting the rent is an issue, see if your landlord will accept a reduction or deferral, better a good tenant than an empty property. UCS may be able to help with housing costs. Also do not forget the government has brought in emergency legislation so that no one can be forced out of their home whilst landlords are being offered 3 month mortgage holidays with the expectation that at the end of the three months, a reasonable payment plan will be agreed between the two parties. A similar 3 month mortgage repayment holiday is being offered to home owners but you have to write and ask your provider. Do remember it is only deferment not a write-off of the debt and interest will be charged. Most likely this will be added to future repayments.

Who can advise me? It can feel like you're going under do not forget others such as family and shipmates who may have a clearer view and be able to offer help. Help and a professional perspective can be obtained from charities such as listed in the previous bereavement article but also Citizen's Advice Bureau which provides free online help on many issues, including debt, benefits, money, employment and consumer rights together with information about financial products, possible scams and how you **can** protect your money. See <https://www.citizensadvice.org.uk/> or call local call rate 03444 111 444. Turn2Us (as above) provides similar online help and advice.

What else do I need to be careful about now? Do not get scammed and lose money! Unfortunately, the coronavirus outbreak has resulted in an increase in the number of financial scams via phone or online. These include fraudsters claiming to be offering government backed grants and other kinds of financial support or queries on your bank account or TV license payments. Banks will never call you and ask for passwords. Be very wary and just apply commonsense. If unsure put the phone down and ask others. Make sure any calls and emails you're getting are from legitimate sources and do not give out any personal information.

I close with expressing strong support for the RNA NHS & Ventilators fund circulated to all shipmates by shipmate Andy Christie. Well worth donating to by individuals, Branches and Areas.

Please distribute this widely and look after your shipmates and oppos by phone, text, e-media or letter.

Best wishes and stay safe, stay well and stay at home.

Geoff Apperley