

College Age:

College age (16-18)

Student Finance

Applying for student finance:

If you're a new, full-time student, you can apply for student loans, grants and bursaries as soon as you've made your course application. However, you can still apply up to 9 months from the 1st day of the academic year. You will need to make a new application for each year of your course.

New, full-time applicants need to register with [Student Finance England](#) before applying. If you've registered before, or begun an application (even if you didn't complete it), you'll have a Customer Reference Number.

If you think there's been a mistake in the decision on whether you're entitled to student finance or on how much you get, you can ask for it to be reviewed. There are also different application processes for part-time and disabled students.

[Directgov](#) has downloadable student finance guides, including on [how to appeal](#), current application forms, information on your [Customer Reference Number](#) and information on [disabled students' allowances](#)

http://www.direct.gov.uk/en/EducationAndLearning/UniversityAndHigherEducation/StudentFinance/Gettingstarted/DG_171577

Education Maintenance Allowance:

[Education Maintenance Allowance](#) (EMA) comes in weekly payments of £10, £20 and £30 which go directly in your bank account. However you will only get your money if you work hard and regularly attend your course. On top of your weekly amount you could also receive bonuses but only if you do well and meet the targets set by your tutor. You need to be 16, 17 or 18 and have left – or about to leave – compulsory education. To qualify for EMA in the academic year starting September 2009, your annual household income must be below £30,810 (for tax year 2008-09).

http://www.direct.gov.uk/en/EducationAndLearning/14To19/MoneyToLearn/EMA/DG_066951

Solo cards:

[Solo](#) offers a different level of financial control and reassurance: every transaction is authorised, so cardholders can only spend what is available in their account. This financial control with Switch-style convenience has brought sophisticated personal banking to new groups of customers.

Because Solo is such a convenient way to pay and reduces reliance on cash, it has become very popular. With every transaction authorised, Solo brings flexibility and freedom to customers who have never previously had a payment card.

Frequently Asked Questions:

How old do you have to be to get solo?

You can open accounts that include Solo with [NatWest](#) from age 11 onwards and with [HSBC](#) from age 13 onwards. If you are interested in getting Solo, you should go to your nearest branch of either of these banks or visit their websites for more information.

Can solo be used over the internet?

Yes, Solo can be used to make purchases online wherever you see the sign or are advised it is accepted.

Do many places take solo?

There are now 875,000 outlets in the UK that take Solo, with more signing up all the time.

What's a debit card?

Debit cards like Solo allow you to pay for goods by 'plastic' on the high street or over the phone or Internet. Your bank deducts the money from your account a day or two later. You can also use this card to get money from the ATM (the hole in the wall) and "cashback" at certain shops.

How's that different from a credit card?

When someone pays with a credit card, the bank 'lends' them the money for the purchase and then sends a bill at the end of the month stating how much you have borrowed. This amount can then either be paid off in full or over a period of time. If less than the full amount owed is paid back in the first month, the credit card company charges interest on the money still owed.

Debit cards:

How debit cards work?:

Debit cards are linked directly to your bank account. You can use them to buy goods or withdraw cash and the amount is taken from your account right away. You can also use debit cards to get 'cashback' from shops when you buy goods and also ask for money back from the cashier, although not all shops offer this. The total amount is deducted from your account right away.

When using a cash machine or paying for goods with a debit card you'll need to enter your PIN (personal identity number). When buying goods you usually enter it into an electronic hand held device, but in some cases you may have to sign. Most bank accounts offer debit cards. Most debit cards double up as 'cheque guarantee cards', guaranteeing that your cheque will be honoured by your bank up to a stated amount.

What happens if there's not enough money in your account?

This will depend on the type of debit card you have:

- ❑ if you have a 'Solo' or 'Electron' debit card the balance in your account is checked before each transaction – if there's not enough money you won't be able pay or withdraw cash with the debit card without prior agreement
- ❑ if you have 'Switch', 'Visa' or 'Delta' card your account balance won't necessarily be checked and the payment may still go through

If you go overdrawn the charges you'll pay will depend on whether or not you have an authorised overdraft arrangement with your bank. If you do, you'll pay the agreed amount of interest at the end of each month. This is usually much lower than interest charged on credit cards.

If you don't have an overdraft agreement, or you exceed the agreed limit, your bank may allow the payment to go through but you'll usually pay much higher fees than if you had an agreed overdraft.

How do Credit cards work?

A credit card is a form of borrowing. Firms lending money to customers must be licensed by the Office of Fair Trading (OFT) under The Consumer Credit Act 1974. The Act requires certain credit and hire agreements to be set out in a particular way and to contain relevant information for the person borrowing. Credit cards allow you to 'buy goods now and pay later' - called 'buying on credit'. They aren't linked to your bank account. Like debit cards, they can be used to buy goods in shops over the telephone and internet, with the same details being required. You can also get a 'cash advance' by drawing money at bank cash machines.

Your bank may offer you a credit card, or you can apply for one to any institution offering one. The credit card provider will normally run checks to see if you've had problems repaying debts before offering you one (called a 'credit check').

The risks of using a credit card:

Think carefully before using a credit card. If you don't repay your bill in full by the date shown you're charged interest on the whole amount of the bill for that month. The rates of interest - indicated by the APR (annual percentage rate) - can be very high indeed.

If you take cash out with a credit card you're charged daily interest from the moment you take out the cash until the credit card bill is paid in full. This is an expensive way of borrowing money.

Some credit cards also charge you an annual fee simply for having the card.

Cars

Loans to buy a car:

If you're at college and need a car, it can be hard to get hold of enough cash to buy a reliable one. You may need to check out student loans to buy a car.

You should do a comparison of all the deals available before making a decision. You should be aware of interest rates and make sure you read all the small print.

When looking at student loans to buy a car, make sure you can afford the repayments! Take into account other expenses that cars bring: insurance, tax, fuel, breakdown cover, repairs, servicing etc.

Choose a payment plan to suit your circumstances

The length of time affects the repayments – the shorter the loan term, the lower the interest rate will be. A deposit will also keep the cost right down.

Fair Investment has a free [car loan calculator](#) to help find a deal to suit your budget and circumstances.

Car Insurance:

If you're a young driver, some questions you might be wondering are:

Why does teenage car insurance cost so much?

Insurance companies quantify risk; the riskier something is, the more they charge to insure it. It's proven that young drivers are more likely to have accidents than adult drivers, meaning that their rates are much higher.

What kinds of cars offer the lowest insurance rates for young people?

Mid-size vehicles (not sports cars) with good safety ratings offer reasonably good rates.

Should I have my own policy or be added to my parent's?

It's almost always cheaper to be added onto your parent's existing car insurance policy than to set up your own.

Can I get a good student discount?

If you're getting high enough grades, the answer's yes. Different companies have different standards for giving out student discounts but they're always worth applying for. [Go Compare](#) has an area of its site dedicated to young drivers' which gives advice and quotes.

[http://www.gocompare.com/car-insurance/young-drivers.aspx?Media=GC3575&campaign=google_car&kw=car+insurance+for+young+drivers+exact&utm_source=google&utm_medium=cpc&utm_term=\[car%20insurance%20for%20young%20drivers\]&utm_campaign=google%20car&gclid=CO8jdzHoJwCFZgU4wodj1MCcQ_](http://www.gocompare.com/car-insurance/young-drivers.aspx?Media=GC3575&campaign=google_car&kw=car+insurance+for+young+drivers+exact&utm_source=google&utm_medium=cpc&utm_term=[car%20insurance%20for%20young%20drivers]&utm_campaign=google%20car&gclid=CO8jdzHoJwCFZgU4wodj1MCcQ_)

<http://www.direct.gov.uk/en/Motoring/index.htm>

<http://ezinearticles.com/?Young-Driver-Car-Insurance-Frequently-Asked-Questions,-Answered&id=2667339>

http://www.fairinvestment.co.uk/student_loans_to_buy_a_car.aspx

Student discounts

It's well worth checking what discounts you could get with certain student cards. Pick the right ones and you could save a small fortune during your time at University.

The [NUS Extra Card](#) is the most famous of the student discount cards. For £10 you gain access to discounts on food, motor, travel, days out, music, retail, health and beauty, making it the best card all round, especially as it also incorporates the [International Student Identity Card](#).

If you regularly travel by train, it is well worth considering a [16-25 Railcard](#), formerly known as the Young Persons Railcard, which is valid for travel across Great Britain. Initial expenditure may be steep (a costly £24) but this card is invaluable for both long and short journeys, cutting the cost of both by a third. The only catch is that weekday journeys before 10am are subject to a minimum fare but this is still cheaper than what you would pay without a railcard. Savings are also valid on advance fares, and often one long distance journey can recompense for the cost of the card.

Alternatively if you prefer coach travel, you can get a [Young Person's Coachcard](#) for £10, and receive up to 30% off travel.

Another good discount card is the [V Card](#), available from Varsity Bar's nationwide for a meagre £2. As well as offering 25% off selected drinks, doubles for an extra £1 and two main meals for £5, discounts are also available outside the bar, including 10% off and free delivery at figleaves.com and 20% off Essentials haircuts.

Useful College Age URL's:

<http://www.studentfinance.direct.gov.uk>

<http://www.direct.gov.uk>

<http://www.fairinvestment.co.uk>

<http://www.gocompare.com>

<http://www.isiccard.com/>

<http://www.16-25railcard.co.uk/>

<http://www.nationalexpress.com>