

# Financial services pros and cons

Services	Pros	Cons
<b>Buy Now, Pay Later</b>	<ul style="list-style-type: none"> <li>✔ Instant access to items without paying upfront</li> <li>✔ Flexible payment options</li> </ul>	<ul style="list-style-type: none"> <li>✘ Can lead to overspending</li> <li>✘ Easy to lose track of multiple payments</li> <li>✘ Unpaid balances can be sent to debt collectors</li> <li>✘ Missed payments affect your credit rating/CCR</li> </ul>
<b>Credit Card</b>	<ul style="list-style-type: none"> <li>✔ Convenient for online and everyday spending</li> <li>✔ Can help build your credit history</li> <li>✔ Extra protection on purchases</li> </ul>	<ul style="list-style-type: none"> <li>✘ High interest if not paid off in full</li> <li>✘ Easy to build up debt</li> <li>✘ Minimum payments can be misleading</li> </ul>
<b>Debit Card</b>	<ul style="list-style-type: none"> <li>✔ Easy and convenient for everyday spending</li> <li>✔ Uses your own money (no borrowing)</li> <li>✔ Helps you stay in control of your budget</li> </ul>	<ul style="list-style-type: none"> <li>✘ No access to extra funds in emergencies</li> <li>✘ Less purchase protection than credit cards</li> <li>✘ Easy to overspend if you're not tracking your balance</li> </ul>
<b>Hire Purchase</b>	<ul style="list-style-type: none"> <li>✔ Spread the cost of expensive items over time e.g. Car</li> <li>✔ Fixed payments make budgeting easier</li> <li>✔ No need to pay the full amount upfront</li> </ul>	<ul style="list-style-type: none"> <li>✘ You don't own the item until the final payment</li> <li>✘ Can be more expensive overall due to interest</li> <li>✘ Missing payments can lead to losing the item</li> </ul>
<b>Instalment Payments (e.g. Klarna, Humm)</b>	<ul style="list-style-type: none"> <li>✔ Spread cost of purchases into smaller payments</li> <li>✔ Often interest-free (if paid on time)</li> <li>✔ Quick and easy to set up</li> </ul>	<ul style="list-style-type: none"> <li>✘ Encourages impulse spending</li> <li>✘ Missed payments can lead to fees</li> <li>✘ Multiple plans can add up quickly</li> <li>✘ Missed payments affect your credit rating/CCR</li> </ul>
<b>Overdraft</b>	<ul style="list-style-type: none"> <li>✔ Quick access to extra money when needed</li> <li>✔ Useful for short-term cash flow issues</li> <li>✔ No need to apply each time you use it</li> </ul>	<ul style="list-style-type: none"> <li>✘ Can be expensive with fees/interest</li> <li>✘ Easy to rely on and overspend</li> <li>✘ Hard to repay, as no structured repayments</li> </ul>
<b>Personal Loan</b>	<ul style="list-style-type: none"> <li>✔ Fixed repayments make budgeting easier</li> <li>✔ Lower interest than credit cards</li> <li>✔ Good for larger, planned expenses</li> </ul>	<ul style="list-style-type: none"> <li>✘ You're committed to repayments over time</li> <li>✘ Missing payments affects your credit history</li> <li>✘ Not ideal for small or unnecessary spending</li> </ul>
<b>Student Loan</b>	<ul style="list-style-type: none"> <li>✔ Helps cover education and living costs</li> <li>✔ Lower interest than many other options</li> <li>✔ Flexible repayments</li> </ul>	<ul style="list-style-type: none"> <li>✘ Must be repaid over time</li> <li>✘ Requires a guarantor</li> <li>✘ Adds to financial commitments after college</li> </ul>