



OSCAR KILO  
Family Life

# **Financial Wellbeing**

**for police families**

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# Introduction

Making sure our finances are in order is a challenge all of us face – and when we're having financial difficulties, it can massively impact our overall wellbeing.

If your partner or loved one works in policing, there can be additional challenges.

Shift work can make it difficult to find time (and energy) to plan finances. And the demands of the role may make it hard to find the headspace needed to get on top of money matters.

Spending money can often be a way of distracting yourself from other things that might be stressing you out – and policing can be stressful.

Working in the police can also make it harder when it comes to childcare and maintaining a second income into the family.

In this guide, we cover some of the key things to think about when it comes to financial wellbeing.



# Find time to talk

Finding time to talk is a key first step to financial wellbeing. Set aside a time that works for all parties – this means trying to avoid moments during the day when someone might be tired or when there are too many distractions.

Talking about money can be difficult. If you have a partner and you're worried about their spending habits, having those conversations sooner rather than later can prevent any problems escalating. It's not about blame, but about how you can achieve your life goals by working together.

It's also important to talk regularly – perhaps once a month. Finances are fluid and this will give you the opportunity to revisit and reassess. The chats don't need to be long though, in fact keeping them short means you'll be more likely to stick to them.



# Income and outgoings

As well as finding time to talk, it's really important to get a handle on the money you've got coming into the family and your costs each month.

Working out your family's income should be straightforward. It normally consists of any wages earned in the household, along with any benefits or investments you or other family members may have.

When it comes to our outgoings, however, there may be some surprises. How many of us go through our bank transactions in detail on a regular basis? That nice coffee shop we visit on the way to work could be taking more of our cash than we realised.

It's also important to identify any benefits that come with your bank account. This can help us avoid paying for the same thing twice, such as travel insurance – which may already be provided through the bank.

And don't forget to factor in more expensive times of year – like holidays and birthdays or festive celebrations – as well as large payments, like if car insurance is due in a lump sum.

Getting a clear idea of where your money goes can help you avoid it slipping through your fingers. It can also help you change behaviours and set a budget, which in turn, can help you save.

There is a free budget planning tool available from Money Helper, which is a government-approved online advice service provided by the Money and Pensions Service.

# Saving

Saving isn't always possible for everyone; for many people it's a nice-to-have. However, if you're in a position where you can put money aside (even a small amount), thinking about a short and medium term saving plan is a good way to start.

## Short term savings:

This is the money you've got readily available for unexpected emergencies, like the washer going bang or the car service being more expensive than predicted.

- The general rule of thumb is you need a buffer equal to six months' wages. This might not be achievable at first – but the important thing is to consistently set money aside until you reach this target. Once you've got a clear picture of your income and outgoings, you'll have a good idea of where a little cash can be put aside here and there.
- These additional funds are really important – they can help prevent you getting into debt and reduce any anxiety you might be experiencing about not having enough money to cover your immediate costs.

To save more, you'll need to be really pragmatic about cutting down in other areas – including leisure. But try to be realistic about what's achievable – when finances are tight, extra saving options may not exist.

## Medium term savings:

Generally speaking, this is money to cover a planned upcoming expense.

- It's helpful to first define what you're saving for, whether it's a big holiday or house move, as this will give you an idea of how much you're going to need.
- Even if you don't have a savings goal at present, it's still worth starting to set some money aside if you can.
- You can bolster your medium term funds by making sure your savings are tax efficient, such as by opening an ISA (if you do open an ISA, make sure you shop around for the best deal).
- It's important to monitor progress frequently. Regular check-ins allow you to review how your savings are performing, and redefine your goals if your circumstances change.





## Saving for retirement

- When it comes to saving for retirement, how much you need depends on how you'd like to live when you're no longer working.
- To get an idea, it's useful to work backwards from where you both want to be – from a quiet life in the country to travelling around the world or somewhere in between. Once you've identified an estimate, you can then make plans to save accordingly.
- The amount you need might surprise you: we often need more money in retirement than we think – so it's best to begin planning for retirement as soon as possible, but it's never too late to start.
- For police officers, retirement from the service can happen earlier than for police staff. If you feel you need to bolster your pension pot, taking another job, full- or part-time, once you or your loved one has left the police service can help to manage the transition.

## Pensions

A pension is individual to every police family. The full amount someone in the police is entitled to depends on a number of factors. So, it's important to check in with your pension provider, who should be able to give you your projections based on your personal circumstances.

There are several different police and police staff pension providers, so contact your force HR department who will be able to provide you with the right details.

# Financial advice

The demands of policing mean it's not always easy to find the time or energy to get around to doing everything you'd like with your finances. And even if you've got the time, knowing where to get started can be confusing.

If you need help, it's worth reaching out to a professional financial adviser, who can provide expert support.

When looking for a financial adviser, take your time so you can find someone you trust. The type of adviser you need also depends on what you'd like advice on, such as investments, retirement, or just keeping your finances on track.

Recommendations from friends and family you trust can be a good way to find an adviser. There are also free services that can help you find what you're looking for:

- The MoneyHelper **retirement adviser directory** helps you find an adviser who may be able to assist with decisions about your retirement and other financial planning issues (like investments, care options and equity release). MoneyHelper is a government approved online advice service provided by the Money and Pensions Service

- **The Personal Finance Society** has a search tool on its website that can help you find a local qualified adviser (it includes advisers who cover more than retirement options, so mortgages, investments and other financial planning)
- **Unbiased** is a free service to match you to a fully-regulated financial adviser



# Debt

Not all debt is bad, and most families, whether in policing or not, will have some form of it – like a mortgage or university fees (our own or our children’s).

However, keeping up with repayments can be difficult – which is when debt can become a problem. And it doesn’t just affect the person in debt, their loved ones also often feel the effects.

If you think you or a loved one’s debt might be problematic, it’s never too early (or late) to start addressing the issue. Taking action and speaking to someone could be a significant weight off your shoulders. There are lots of reputable services out there, like:

- **StepChange:** a debt counselling charity that offers free, tailored advice on dealing with debt
- **Citizens Advice:** an independent organisation specialising in confidential information and advice to assist people with lots of different issues, including debt
- **National Debtline:** a charity dedicated to providing free debt advice to people across the UK
- **Payplan:** free debt and debt management advice

Remember you’re not alone, and seeking expert advice can help make debt more manageable, including helping prioritise which debts to pay, being clear on your rights, and helping you negotiate with creditors to arrange alternative repayment plans, if needed.

## Debt caused by addiction

Debt can also be caused by addiction, including gambling, drugs or alcohol. If this is an issue affecting you, help is available.

As well as the services we’ve listed already, advice and treatment are available for anyone affected by gambling-related issues, including:

- **GamCare:** free support for anyone affected by gambling issues across Great Britain, including help that focuses on the rising levels of women addicted to gambling
- **Alcoholics Anonymous:** local support groups for people with alcohol addiction issues
- **We Are With You:** free, confidential support to people in England and Scotland who have issues with drugs



# Illegal money lending

Loan sharks often don't advertise themselves as loan sharks – they hide in plain sight. So, many people don't realise they've been the victim of an illegal money lender until it's already happened.

If you have borrowed money from a loan shark, you haven't broken the law, they have – it's a criminal offence to lend money for profit without a licence.

## Have you been a victim?

If you think you might've been the victim of an illegal money lender, there are a few key questions you can ask yourself:

- Have you borrowed money from someone you know, including a friend?
- Does this person lend lots of people money?
- Are you paying back more than you borrowed, including additional interest that means the debt never goes down?
- Do you have concerns over the consequences of non-payment, such as intimidation or violence?

Answering “yes” to three or more of these questions may indicate someone has been the victim of a loan shark.

## What to do if you think you're in debt to an illegal money lender

If you think you owe money to a loan shark, there are some important steps to take:

- **Report a loan shark to Trading Standards.** This is the government office that investigates illegal business activity. You can find your local Trading Standards office here: [gov.uk/find-local-trading-standards-office](https://www.gov.uk/find-local-trading-standards-office)
- You don't have to pay a loan shark back and a loan shark has no legal right to collect the money. However, **don't stop paying the loan shark if you're worried about your safety**
- **Report the incident to the police** if you've been threatened by an illegal money lender

Loan sharks sometimes end up not getting reported because a victim is worried they've broken the law. And if the victim is from a policing family, they may also be embarrassed or ashamed.

However, it's important to remember **you've not done anything illegal**. This is true whether someone works in policing or any other profession. And by reporting an illegal money lender, you'll be helping save other potential victims.



# Payday loans

Payday loans can seem like an attractive option to help meet unexpected costs like repairing your car or replacing your boiler. It can be easy to think that as long as you repay them, they don't carry much risk. However, there are some key things it's worth bearing in mind.

## Cost

Be wary of how payday lenders advertise their rates. Loan companies are required by law to advertise the percentage they charge to loan the money (the Annual Percentage Rate, or APR). However, because payday lender rates can be incredibly high (more than 1000% in some cases), some lenders make talk about a 'fee', rather than an APR. For example, they may talk about a £1,000 loan for a month having a 'fee' of £250, meaning the total repayable is £1,250. Discussing a 'fee' can make it seem more attractive, but the reality is that the interest rates are still generally sky-high. To put that into perspective, if you borrowed the same amount from a Police Credit Union at 9.9% APR, over the course of year the total repayable is £1,055. This means it costs nearly £200 less to borrow from your Credit Union for the year compared to what payday lenders charge for just one month.

## Risk

Because the interest rates are so high, some people struggle to pay back the monthly repayment, and even resort to taking out another payday loan to pay for the first. In this scenario, the cost of an original small loan can magnify into thousands of pounds.

## Credit profile

Borrowing from a payday lender will likely have a negative impact on your ability to obtain credit in the future from more mainstream providers. So if, in the near future, you're going to want to do things like apply for a mortgage, buy a new car on finance, or even take out a mobile phone contract, these things could be made difficult if you have a payday loan history. Some mortgage providers specifically state that they will not lend to applicants with a payday loans history, even if it has been repaid in full and on time.

To explore a different way to borrow, check out these two Police Credit Unions:

[no1copperpot.com](http://no1copperpot.com)

[serveandprotectcu.co.uk](http://serveandprotectcu.co.uk)



# Getting insured (and assured)

What's insurance, what's assurance – and which ones do you need to think about if you work in the police?

## Insurance and assurance

Insurance is a policy that protects you financially against something that might happen, like a theft.

Assurance is a financial plan that pays out when an inevitable event (one that's assured) takes place, such as death.

## Which policies do you need?

To identify the cover you might need, you first need to understand what you've already got.

You may have some policies in place that you're not aware of – such as life insurance or assurance linked to your work or pension. To find out, it's worth speaking to your employer and pension provider.

You also need to think about your dependents and what they would do if you could no longer work. None of us like to think about a time when we're no longer around or too ill to work, but facing up to these possibilities can help us protect our family and the people we care about.

Ask yourself, what would they need in order to live their life the way they (and you) would want? If your current policies don't provide the answer you're looking for, you may want to consider extra cover, such as life, critical illness and health insurance, as well as mortgage protection.

## Getting the best price

Many insurance policies renew on an annual basis, but not all companies reward loyalty – and you can end up paying a lot more than you need to. So, it's really important to shop around for the best deal when looking for insurance or renewing it. The research could provide you some extra cash to put towards your savings, but do make sure the policies you are comparing offer the same benefits.

When it comes to longer-term cover, like life insurance, shopping around is key too. Because of the potential risks involved for someone who works in the police, you might find premiums are higher with some insurers; however, there are reputable providers who offer cover where being a police officer or staff makes no difference.

You can use insurance price comparison websites to quickly get a good idea of the market – although not all providers will be on there, so you may still have to cross reference with other sites. Police Mutual offers life insurance through Royal London, but again it's important to compare prices and details of any policies you are considering.

# Wills and LPAs

A will and LPA (lasting power of attorney) are powerful legal documents that ensure someone's wishes will be carried out when they're no longer able to make decisions for themselves (for example due to conditions like dementia or a stroke) or after they die. They're really important, as with an up-to-date will in place (experts recommend renewing your will every five years) a person can decide exactly who gets their assets, including their savings.

An LPA is another official document that allows a person to grant legal power to someone they trust, such as a partner, to make decisions on their behalf should they lose the 'mental capacity' to do so.

Without either document in place, decisions about what happens to a person's assets as well as things like their health and care

will be left in the hands of state officials, like judges. It can cause a lot of heartache for families, as well as being very expensive for them, and the final decisions may not be ones that the person would've taken.

It's possible to download and create these documents yourself, but if your circumstances are more complex they can be tricky to get right and ensure your wishes are set out in the way you intend. Seeking legal advice from a specialist in this area can be helpful and save money down the line. Speak to a lawyer regulated by the SRA (Solicitors Regulation Authority) and look for relevant additional qualifications that demonstrate expertise in this area of the law like Accreditation from **Solicitors for the Elderly** (SFE) and/or **STEP** (The Society of Trusts and Estate Practitioners).



# Children's financial literacy

According to the government-backed Money and Pensions Service, children's attitudes about money are well developed by the age of seven, so it's never too young to start helping children build a positive relationship with their finances.

This is particularly true now. As we move away from using cash in favour of cards, we have instant access to more of our money than ever before.

## Helping children learn about money

We all learn better when we're enjoying ourselves, so try keeping things interesting when teaching children about money. Here are a few ideas that can help keep finances fun:

- Help your children set saving goals and create a graph tracking progress. Whatever they're saving for, like a bike, tennis racket or clothes, use this as inspiration to decorate the graph with themed mini-milestones
- Money received at birthdays or other celebrations can be a great way to teach children about investing. Get them to leave the money with you for a set amount of time without spending it. If they achieve the goal, return the money with interest – the interest doesn't have to be financial, it could be extra privileges, like picking a meal one night or a day off from chores
- There are lots of money-based board games, like Monopoly, that can help familiarise children with money and how it works, as well as apps specifically designed to help children learn about finances
- You may also want to investigate savings apps designed specifically for children, including **GoHenry**, a prepaid debit card and app designed to help children budget and save



# Money saving tips from other policing families

We asked fellow policing families for their money saving tips. See their advice below.

(Please note these aren't tried and tested, they're just helpful suggestions from people who work in policing or have a family member who does. These may work for some, and not for others. It's important to do your own research to find out what's best for you and your family.)

## Moneybox

An app that allows you to link your bank account to a savings or investment account.

The app rounds up any money you spend to the nearest pound and automatically deposits the money in the savings or investment account. So, if a cup of tea costs you £2.50, the app will round this up and put 50p in your savings or investment account.

Over time, these small payments really add up. Money can be withdrawn with 32 days' notice.

Find out more on the [Moneybox](#) website

## Biscuit

Great for any dog owners out there! You get rewarded for taking care of your dog. Every time you take your dog out for a walk, as well as completing other wellbeing tasks, you earn tokens that you can exchange for real-life vouchers for everything from treats for your dog to food shopping for you and the family.

Find out more on the [Biscuit](#) website

## TopCashback

Receive cashback on purchases.

Find a retailer you want to buy from on the TopCashback website (there are lots of well-known options), you'll then be linked through to the retailer's website and you can continue shopping as normal.

For sending you to the retailer's website, TopCashback earns a commission, which it then shares with you.

Find out more on the [Top Cashback](#) website

## Chip

If you've got any savings, Chip might be for you. It offers very good interest rates and pays out monthly, with no fees. If you link it to your bank account, it will also review all your usual transactions and work out how much you could afford to save – with the option to automatically add this money to your Chip account.

Find out more on the [Chip](#) website

# Links

Below, you can find some useful links:

## Budgeting

Money Helper [budget planning tool](#)

## Financial advisers

Money Helper [retirement adviser directory](#)

The Personal Finance Society [find an adviser tool](#)

[Unbiased website](#)

## Debt

[StepChange](#)

[Citizens Advice](#)

[National Debtline](#)

[Payplan](#)

## Debt caused by addiction

[GamCare](#)

[Alcoholics Anonymous](#)

[We Are With You](#)

## Loan sharks

[Trading Standards](#)

[www.stoploansharks.co.uk](http://www.stoploansharks.co.uk)

## Police Credit Unions

[no1copperpot.com](http://no1copperpot.com)

[serveandprotectcu.co.uk](http://serveandprotectcu.co.uk)

## Legal advice for wills and LPAs

[Solicitors for the Elderly](#)

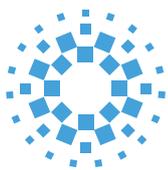
[STEP](#)

## Children's financial literacy

[GoHenry](#) app and prepaid debit card

## Financial products

[policemutual.co.uk](http://policemutual.co.uk)



College of  
**Policing**



**The National Police  
Wellbeing Service**

If you have a family member or close friend who works in the police,  
we're here for you too. It's a role that throws up unique challenges  
and this can have a wider impact on the wellbeing of families.

You'll find more resources and support  
for families and friends on our website:



[www.oscarkilo.org.uk/family-life](http://www.oscarkilo.org.uk/family-life)