

The grinch that stole your credit score

While the famous “Grinch” had its own personal reasons for avoiding the festive season and Christmas cheer, an individual’s credit score need not feel the same if managed properly notes Ayanda Ndimande, Business Development Manager of Retail Credit at Sanlam.

Ndimande recently highlighted the grinch you should be aware of which could negatively impact your credit score over the festive season. Good advice for both you and your client.

1. Impulsive spending

With the festive season fast approaching, it is important to avoid spending impulsively and buying things you did not budget for just because they are on special. Try to make a list of what you need.

2. Deals with a buy now and pay later price tag

The best deals always seem to have a catch such as ‘buy now and only pay in January’. While it may seem like a great idea at the time, don’t fall into the trap without considering all the elements on your checklist such as interest, commitment period and also whether your financial situation is stable enough to afford this item over the long-term.

3. Buying without reading the T&Cs

When last did you actually read those pesky T&Cs? When it comes to sale items, different conditions apply such as having a limited time to return the item if you change your mind. Make sure you read the T&Cs carefully to avoid being left with unwanted goods and wasted money.

On how consumers can prevent feeling the pressure of “Janu-worry”, Ndimande advises that one festive season of pleasure should not amount to a year of financial worry if you plan ahead, budget and avoid skipping payments. “It is also advisable to rather cash out your savings schemes such as stokvels in January and save money every month to prepare for the next festive season,” concludes Ndimande.