

LESSON 3: ACTIVITY 2

Teacher Resource Sheet: Ways to Pay

WAYS TO PAY	WHAT IS IT? WHEN WOULD YOU USE IT?	TICK IF YOU NEED AN ACCOUNT TO USE THIS TYPE OF PAYMENT
Cash	Cash = banknotes and coins in your pocket, purse or wallet. People normally pay cash when they are buying small, everyday things, like milk and bread or a once-off bus ticket.	-
Cheque	A cheque is a written instruction to your bank to pay an amount of money from your account to the person or company you have made the cheque out to. People sometimes write cheques when they are paying tradespeople like electricians or plumbers etc.	✓
Credit card	Credit cards are a convenient and flexible way to pay for things without having to carry cash. If you use them wisely, credit cards can be one of the cheapest sources of credit available. With a credit card, money you spend is a loan from a credit card provider. Your credit card provider sets a limit that you can spend on your card. People use their credit cards to pay for things like tickets for concerts or gigs, flights etc.	✓
Debit card	Debit cards allow you to pay for goods and services without taking out cash. The money comes out of your current account directly, although it may take a few days for the purchase to appear on your statement. You can also use your debit card to get 'cashback' from some retailers – this is where you pay for your goods but also ask for an amount of cash to be added to the cost of the transaction.	✓

WAYS TO PAY	WHAT IS IT? WHEN WOULD YOU USE IT?	TICK IF YOU NEED AN ACCOUNT TO USE THIS TYPE OF PAYMENT
Debit card (Cont.)	It can be convenient if you do not want to go to an ATM, or if there is no ATM nearby. People sometimes use their debit card to pay for their weekly shop.	
Direct debit	This is where you give a third party written permission to take or debit money from your account directly. To stop a direct debit contact the third-party supplier (who the money is being paid to) and your bank to let them know you want to cancel the direct debit and that no more money should be taken from your account. People often pay their household bills this way (e.g. electricity/gas bill etc).	✓
Electronic fund transfer	This can provide a secure method of payment for bills or to simply transfer money between accounts. You might make an electronic transfer to a family member or a friend to chip in for part of a birthday present or if you owed someone money for a theatre ticket or a flight etc.	✓
Standing order	This is an instruction or order you give to your bank to make regular payments out of your account to another account. Unlike a direct debit, you instruct your bank directly about how much is to be paid and the amount is fixed and can only be changed by you. Standing orders are used to pay things like car loans or health insurance. A set amount of money leaves your account on the same day, usually every month.	✓