JULY 2023

MONTHLY CATCH UP

New energy price cap

Around 27 million UK households can expect a modest drop in their energy bills from this month, after the regulator Ofgem brought in a lowering of the price cap.

When the change kicks in this summer people will see their average gas and electricity bills fall from the £2,500 a year level set by the government's energy price guarantee, to £2,074.

However, that is still double the price of energy from October 2021, when Russia began restricting supplies of gas to Europe in a move that saw wholesale prices shoot up. Before the energy crisis the typical household paid £1,271 a year for their gas and electricity usage.

And energy prices could spike again this coming winter says the head of the International Energy Agency, who added that could well force many of the world's governments to once more step in and subsidise bills.

Those people who struggled to pay their bills over the winter months may feel little or no relief from the Ofgem decision. That is mainly because the government top-ups, worth £400 between October to March, are now at an end.

And it bears repeating that households could still face dual-fuel bills above July's new cap of £2,074 if they use more than the typical amount of energy.

Ofgem's cap only limits the rate that energy suppliers can charge customers for each unit of gas and electricity – not a household's total bill.

The energy price cap does not include businesses, charities or public sector organisations such as hospitals, schools and care homes.

So, who will be paying what from July?

• A dual-fuel household paying by direct debit will now see a typical annual bill of £2,074

• Homes using a pre-payment meter will typically pay £2,077 a year

• People paying by cash, cheque or bank transfer – usually every three months – will have a typical annual bill of £2,211

The pros and cons of buy now pay later schemes

The Financial Conduct Authority (FCA) has consistently warned companies who offer ‘buy now pay later’ schemes that they must regularly warn consumers of the risk of debt.

Failure to do so would be ‘misleading’ and at worst be a breach of regulatory rules, according to the FCA.

Platforms such as Klarna, Clearpay and Laybuy have 'buy now pay later' schemes, and often pay social media influencers to advertise the offers.

Such deals allow consumers to purchase products on (often interest free) credit and pay for them at a later date, either in full or split over several pre-agreed payments.

However, such offers must also include debt risk warnings. Companies could be committing a criminal offence over misleading and harmful adverts by failing to warn people of the risks of taking on debt

Klarna. Smoooth payments

clearpay Accepted here.

LAYBUY Pay it, easy.

The regulator raised concerns over financial adverts, particularly on websites and social media, that did not include any potential debt risks.

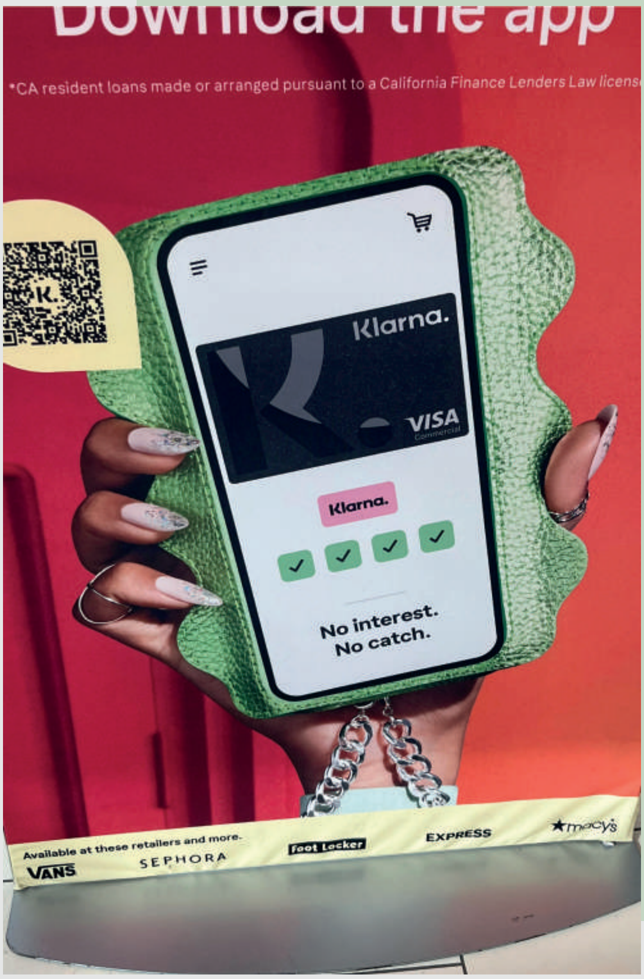
So-called influencers have advertised the 'buy now pay later' schemes on their individual social media platforms, such as Instagram, without including risk warnings, which has been frowned upon by the Financial Conduct Authority.

The Authority say that “it is vital that any adverts are clear, fair and not misleading.”

Some adverts could fail to warn consumers of the consequences of missed payments (such as late fees), not making clear when the charges become payable, or the impact on people’s credit scores.

If you can afford to not borrow money to cover costs then that should be your option, not buy now, pay later.

However, the majority of the schemes can be free to use, unless of course you miss repayments. Neither Klarna, Clearpay or Laybuy charge any interest or fees for using their services.



• One of the key takeaways from all this is that Buy Now Pay Later schemes can be okay as it spreads out the cost of a purchase which can make buying certain items easier for people. However, it isn't recommended that you use them if you aren’t confident you can make the agreed repayments. And such schemes are starting to face increasing regulations which are likely to lead to more consumer protections from the regulator.

If you need mortgage advice speak to Scott!

At least 100,000 people per month are coming to the end of their current mortgage deal and currently face quite a jump in their monthly repayments.

If you need any help with a re-mortgage, or any other mortgage requirements then please remember that Lifetime has a specialist adviser on hand to help you.

It is always important to recognise that a mortgage is a key part of your overall financial plan. If you need any help and guidance then have a free 15-minute consultation with Scott Kershaw.

Click here:
https://outlook.office365.com/owa/calendar/Bookachataboutamortgage@lifetime-fm.com/bookings/

Is it time for you start a plan?!

It is heartwarming to know that Lifetime's financial wellbeing message is getting through.

We continue to see an increasing number of employees - from the employer partners we work with - logging on to their Learning Hub and filling in their details, in order to receive a financial plan from a Lifetime coach.

As a result those people have received a video that shows them where they are now in terms of their financial situation, and how they can move forward without fearing the future, so that they can achieve what they want from later life.

Their plan will hopefully alleviate any anxiety or stress that they may have over their personal finances, and will certainly give them the necessary knowledge, clarity and confidence to make good financial decisions that will benefit them.

Scan me for the hub!

Have you got your plan yet?

If not, then why not start now? Log on to your learning hub and fill in your details, so that your Lifetime coach can begin to put together your financial planning video.

Or if you aren't quite ready to start your plan – maybe you have one or two questions – then book a 15-minute chat with a coach who can explain things in a little more detail:
https://www.lifetime-fm.com/book-a-chat/

Lifetime shortlisted in three categories for this year's WSB Awards

Lifetime is thrilled to have been shortlisted in three categories for this year's prestigious Workplace Savings and Benefits Awards (WSB).

The accolades, which recognise both employer and provider excellence, attracts many of the best and biggest organisations in the UK, as well as the most innovative, and the whole team at Lifetime are proud to have been placed alongside such companies as Legal and General, Zurich, Bluecrest Wellness, KPMG, Scottish Widows, Wickes, the Royal Mail, Aviva, Standard Life, the AA, Howdens, Travis Perkins and Fidelity International in the overall awards.

The event, which is now in its 11th year, aims to find and recognise the employers which have the best benefit teams and offerings to staff and have done the most to improve these over the past 12 months. In addition, the awards look to reward and highlight the best benefit and pension providers, recognising those that have done the most to help employers and their employees over the past year.

Lifetime has been shortlisted for three awards in the Consultant and Provider section. They are in the categories, *Benefits Innovation of the Year, Financial Education Provider of the Year and Health and Wellbeing Provider of the Year.*

The award winners will be announced at a special event at the London Marriot Hotel in Grosvenor Square, London on Thursday, September 7th.

The shortlist for all the different categories is here: https://wsbawards.co.uk/2023/en/page/2023-shortlist.

London Marriot Hotel

Meanwhile, members of the Lifetime team were also thrilled to attend the Yorkshire Choice Awards in Leeds on Friday, June 9th.

It was a wonderful occasion and a privilege to be among so many inspirational people doing so much good.

Lifetime had been nominated for the Customer Service Award, in recognition of our efforts to guide, support and advise as many people as possible, so they can live their best life, realise their dreams, and be confident and more knowledgeable when it comes to personal money matters.