



Getting help with money and debt

Easy Read version



How to use this document



We are ANZ.

We wrote this document.



We wrote some words in **bold**.

We explain what these words mean.

There is also a list of these words on page **23**.



You can ask someone you trust for support to:

- read this document
- find more information.



This is an Easy Read summary of another document.

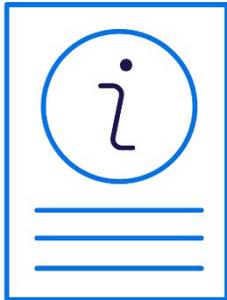
It only includes the most important ideas.



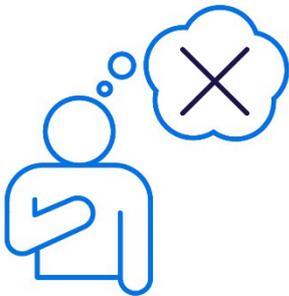
You can find the other document on our website.

www.anz.com.au/support/legal/important-documents

A note about this information



This document includes general information only.



This means it might not be right for you.
Or you might have different goals.



You should think about getting your own advice about the information in this document.

What's in this document?

What is debt? 5

How do people get into debt? 9

What is the cost of debt? 11

Why is it important to manage debt? 13

How to reduce debt 14

Tips to help you with debt 17

Who can you contact for support? 21

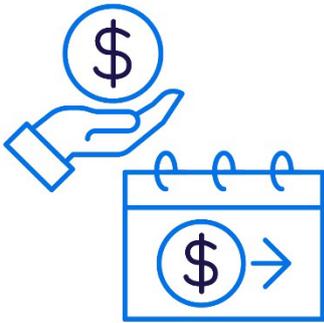
Word list 23

What is debt?



Debt is money that you need to pay back.

Debt could be:



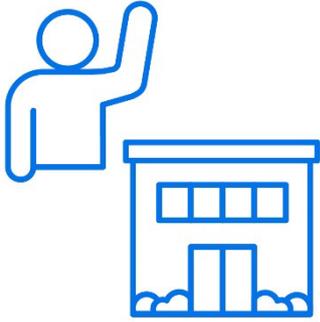
- a **loan** – money you borrow from that you pay back over time



- a **fine** – money someone must pay because they broke the rules.



Debt might also be money you borrowed from someone else.



For example, from:

- another person
- a business.

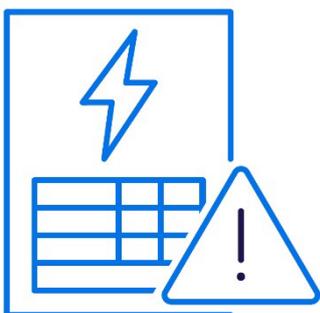
Debt can include:



- money you owe for things you bought with a credit card



- a loan you got from the bank to buy a car



- a bill you haven't paid that is overdue.



There is good debt.

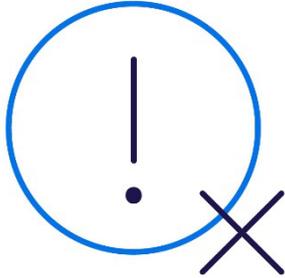


Good debt helps you grow and improve your life.



There is also bad debt.

Bad debt is when you borrow money for things you:



- don't need



- can't afford.



For example, using a credit card to pay for a holiday that you can't afford.

How do people get into bad debt?



People can get into bad debt for many reasons.

For example, people can get into bad debt after:



- losing their job



- getting sick or hurt



- spending more money than they earn

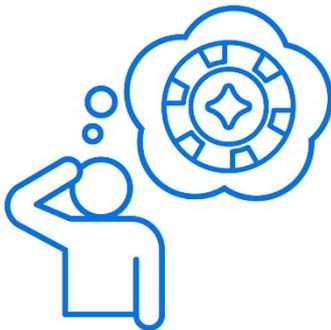


- helping people they are close to.

For example, friends and family members.



People can get into bad debt if they don't understand how loans work.



People can also get into bad debt from **addiction**.

When someone has an addiction, they:

- want to use or do something most of the time
- can't stop using or doing things.

For example, a person might have a shopping addiction.



This might mean they:

- can't stop buying things
- borrow money to buy things they can't afford.

What is the cost of debt?



Debt usually costs more than the amount of money you borrowed.



You might have to pay **interest**.



Interest is a cost that gets added to your debt over time.

Interest can make a small debt bigger if you don't pay it.



You might also have to pay extra costs.

For example, paying a bill late might mean you have to pay more than the original amount.



Debt can make you feel stressed.

It might make you worry about money.

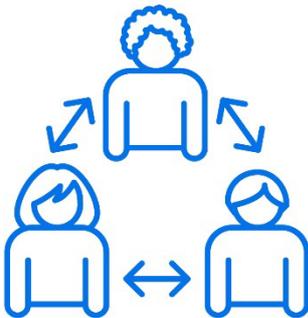
Debt can also affect your **relationships** with your:



- family



- friends.



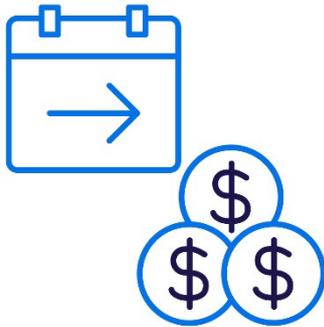
Your relationship with someone is how you are connected to them.

Why is it important to manage debt?

Managing debt can:



- give you more control over your money



- help you save money for the future



- help you and other people feel less stress.

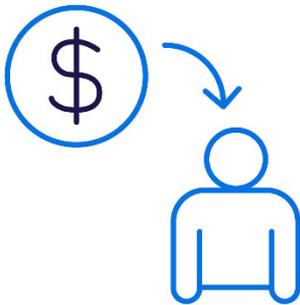
How to reduce debt

1. Make a list of all your debts

You should write down:



- who the debt is to



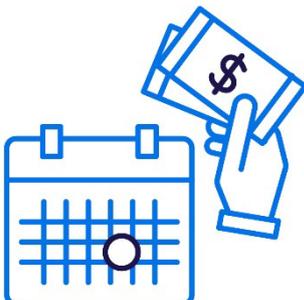
- how much money you need to pay them



- how much interest you need to pay



- how much you must pay each month



- when you need to pay by.

2. Make a plan



You should make a plan about how you will pay off your debt.

You should:



- pay off the debt with the most interest first



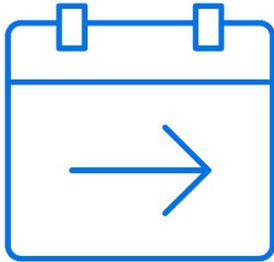
- think about paying off as much of your debt as you can afford to.



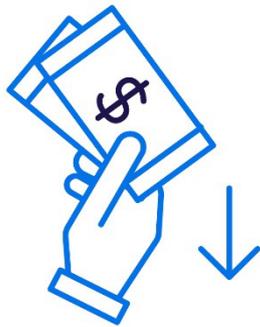
You should also think about paying your debts when you plan how you will use your money.

3. Talk to the people you owe money to

You can ask:



- for more time to pay



- for smaller payments

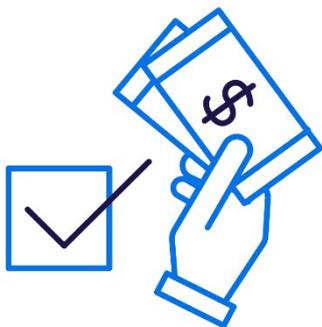


- if they can pause payments for a while.

Tips to help you with debt



Some debts cost more money because they have a higher interest cost.



You should try to pay these debts off first.



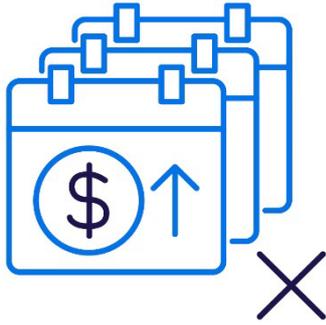
You should check if your debts have any hidden costs.

Some debts have costs you might not see right away.



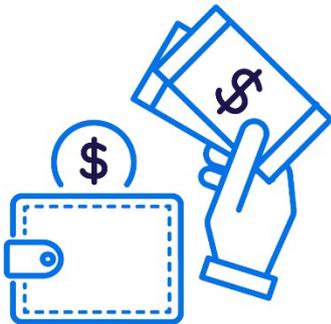
You should pay as much of your debt as you can each time.

Paying smaller amounts can make your debt last longer.



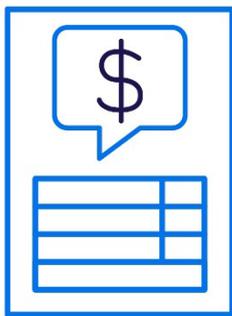
You should find out if you can put all or some of your debt into one loan with:

- no interest
- or
- a lower interest cost.



You should use any extra money you get to pay off your debt if you can afford it.

For example, a **tax return**.



A tax return is when you tell the government how much money you earned in a year.

They might give you back some of the tax you paid.



You shouldn't ignore your debt.

It's best to sort your debt out as early as you can.

What to be careful about

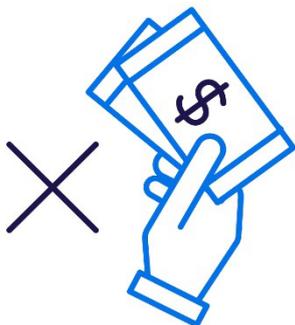


You should be careful of people who offer small loans but make you pay a high:

- cost
- interest.



You should be careful of borrowing money with another person.



The person you borrowed money with might not pay their part of the debt.

And you might:



- get in trouble if they don't pay



- have to pay their part of the debt.



You should also be careful of becoming someone's **guarantor**.

A guarantor is someone who says they will pay back a loan if the person who borrows the money doesn't.



You might have to pay someone else's debt if you become their guarantor.

Who can you contact for support?



You can get support to pay your debt.



You can contact the National Debt Hotline.



The hotline will connect you to an expert to help you understand your money issues.

This is a free service.



You can call the National Debt Hotline.

1800 007 007



You can also visit their website.

www.ndh.org.au



You can contact us.



You can call our team.

1800 351 548



You can also visit our website.

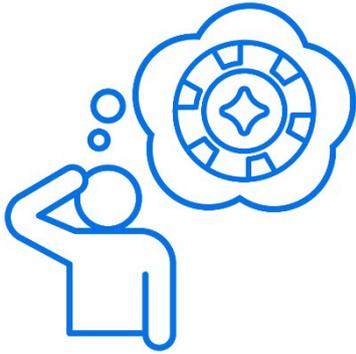
www.anz.com.au/support/financial-hardship



You can also talk to your family and friends
if you need support.

Word list

This list explains what the **bold** words in this document mean.



Addiction

When someone has an addiction, they:

- want to use or do something most of the time
- can't stop using or doing things.



Debt

Debt is money that you need to pay back.



Fine

A fine is money someone must pay because they broke the rules.



Guarantor

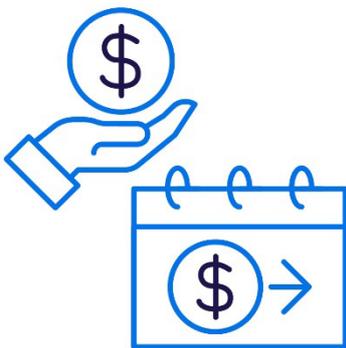
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Interest

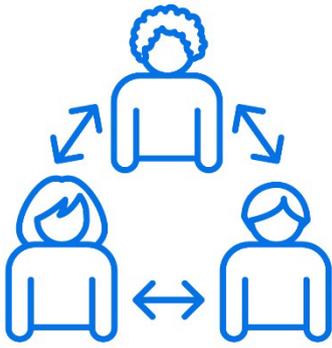
Interest is a cost that gets added to your debt over time.

Interest can make a small debt bigger if you don't pay it.



Loan

A loan is money you borrow that you pay back over time.



Relationship

Your relationship with someone is how you are connected to them.



Tax return

A tax return is when you tell the government how much money you earned in a year.

They might give you back some of the tax you paid.



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