

Money is really tight this year and I'm worried about Christmas coming up. Help!

Christmas is a time of giving, but you don't want to give yourself a headache in the New Year with bills and debts you can't afford. It's all too easy to overspend – there are tempting offers and pressures to buy, but the key thing is to decide how much you can afford before you start spending. Follow our top tips for avoiding a Christmas debt hangover:

Plan early for Christmas

Be realistic and budget accordingly. Work out how much you are going to spend on each person – and stick to it. Manage expectations as to what you or Santa can give.

Don't forget the everyday bills

Remember that rent, the mortgage, utility bills, food bills and other existing debts still have to be paid – and the consequences can be severe if they're not. Even though it's Christmas, get your priorities right.

Don't bank on an overdraft

If you do need more money, don't just run up an overdraft without talking to your bank first – it will work out much more expensive.

Keep things simple

If you can afford to pay for your goods outright by cash, cheque, or debit card, don't be persuaded to take out extended credit agreements unless they really do work out cheaper.

Shop around

Try as many different places as possible to find the best price. Buy what you want and not what other people say you need. Be wary of extended warranties: the cost of a repair can be less than the cost of the warranty.

Read the small print

Check for hidden extras in any credit agreement. Work out the total amount payable. Ensure that the monthly installments are within your budget before signing. Interest free credit can seem attractive, but if you don't pay on time, or miss a payment, you could have to pay a lot more.

Be organised

There's a lot to remember at Christmas. If you've borrowed money don't forget that it won't be long before you have to make a payment. Make sure you pay on time, even if it's only the minimum, or you will be faced with additional charges.

Once Christmas is over **start planning and saving for next Christmas**. If you do get into difficulties, get advice as soon as you can from your local Citizens Advice Bureau or visit **www.adviceguide.org.uk**