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HSBC's top tips for Graduates looking to reduce their Overdraft

Using an overdraft is often essential whilst studying. Evidence shows that interest free overdrafts help reduce costs while graduates look for a job, but the majority of graduates make only limited progress in paying down debt, before the interest free period comes to an end.

Rob-Stuart Jack, Head of Retail Banking at HSBC, suggests a number of ways in which graduates can manage their money and work towards clearing their overdraft.

- Keep an accurate note of how much you spend for a whole month. Include everything from magazines and lunches to cups of coffee and drinks in the pub. This will help you calculate how much your day-to-day living is costing you. You might find this easier if you use our budget planner
- Try to pay as many bills as you can by Direct Debit every month - you might get a discount for paying this way. If you arrange for your regular bills to go out soon after your salary goes in, you'll know how much money you have left for the rest of the month
- Keep a spreadsheet or list showing your monthly income and expenditure. Spread as many bills as you can over the year so that you don't have lots to pay in same months. Don't forget to add in the things that you only pay once a year like your TV licence or car insurance
- Sign up for online banking and text alerts. Having access to your account 24/7 can help you keep track of your money better
- Check the cash withdrawals or card payments you make over the month. What are they all for? Are these places where you tend to spend money needlessly (such as buying lunch instead of taking a packed lunch to work)?
- Looking at reducing your non-essential spending. Could one of your nights out in a month become a night in? Could you car-share or cycle to work?
- Looking after the pennies will help you look after the pounds when it comes to bringing that overdraft down!
- Reduce your overdraft limit as you go
- Stay motivated!

-ENDS-

HSBC Graduate Student Account:

- ***£1500 interest free overdraft in the first year and up to £1,000 in the second year***
- ***Account is available for up to 2 years for all those who have graduated***
- ***Graduate personal loan available at preferential rates and terms for up to 5 years after graduation***
- ***Commission free foreign currency***
- ***Access to Regular Saver.***

For further information please contact:

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