

Session Plan - Unit 3: Choosing a New Financial Product

Session overview

This session, which is Unit 3 of 8 in the financial capability programme, is titled “Choosing a New Financial Product”. It focuses on:

- Introducing the idea of a ‘financial product’
- Thinking about different kinds of financial product, and when to use them.
- Introducing different methods of comparing financial products to get an appropriate product, and the best deal

Session learning aims

In this session, learners will:

- Understand interest rates, fees and charges
- How to understand the Terms and Conditions related to taking out insurance, loans and credit cards
- Understand the pros and cons of different financial service products

Note to tutors

Please ensure that you have read the ‘Key Background Information for Tutors’ before delivering the session. This contains relevant information that will ensure you are equipped to support learners. We also recommend you have a copy of this document with you when delivering, so you can refer to it if/when necessary.

Digital platform

Throughout the session learners will be instructed to use the Toynbee Hall Financial Inclusion ‘digital platform’. Each learner will need an individual account (username and password). To access the platform go to: <http://moneymentors.org.uk>

Delivery guide			
Week no	3	Session name	Choosing a New Financial Product
Time Allocated (approx)	Objectives	Training and Learning Strategies <i>(What will the tutor and learner do?)</i>	Classroom resources
10 min	Introduction Set up	<p>Welcome all learners, introduce tutor(s) and reiterate aims of the course and session.</p> <p>Set up computers. Ask learners to log into the digital platform, open the Week 3 module: 'Choosing a New Financial Product' and click to open the first section 3.1 - Searching the Internet.</p> <p>Cover the material in slides 1-9. These slides introduce how to search using the internet. This is a sub-unit of Unit 3. The aim of this sub-module is to introduce the learner to</p> <ul style="list-style-type: none"> • Teach someone how to search the internet • Explain what a search engine is and how to use one • Physically help someone to make an internet search • Retrieve some search results and explain how the results are displayed and what to do next. <p>Learners are introduced to the characters Reenie and Bob. A video (no voice over) demonstrates the steps to perform an online search. Users are then tasked to practically perform a search with guidance.</p> <p>Depending on the prior knowledge and immediate needs of the user and session time available you may choose to deliver this sub-topic at</p>	<p>Laptops / Computer / Tablets</p> <p>Pen & paper</p>

		the end of Unit 3 or at the start of Unit 4/Week 4. Unit 4 builds on the content in 3.1 and 3.2.	
10 min	Introduction Set up	<p>Welcome all learners, introduce tutor(s) and reiterate aims of the course and session.</p> <p>Set up computers. Ask learners to log into the digital platform, open the Week 3 module: 'Choosing a New Financial Product' and click to open the first section 3.2 - What is a price comparison site.</p> <p>Cover the material in slides 1-9. These slides introduce what a price comparison site is. This is a sub-unit of Unit 3. The aim of this sub-module is to introduce the learner to</p> <ul style="list-style-type: none"> ● Explain to someone what a price comparison website is ● Become more knowledgeable about the types of services that can be compared ● Identify common price comparison sites ● Perform a simple search, filter the sources and understand the results. <p>Learners are re-introduced to the character Reenie. Users are tasked to support Reenie to use her 1st comparison website.</p> <p>Depending on the prior knowledge and immediate needs of the user and session time available you may choose to deliver this sub-topic at the end of Unit 3/Week 3 or at the start of Unit 4/Week 4. Unit 4 builds on the content from 3.1 and 3.2.</p>	Laptops / Computer / Tablets Pen & paper
10 min	Introduction Set up	<p>Welcome all learners, introduce tutor(s) and reiterate aims of the course and session.</p>	Laptops / Computer / Tablets Pen & paper

		<p>Set up computers. Ask learners to log into the digital platform, open the Week 3 module: 'Choosing a New Financial Product' and click to open the section 3.3.</p> <p>Cover the material in Slides 1-2. These slides introduce the module. The aim of this module is to introduce the learner to</p> <ul style="list-style-type: none"> • Learn about insurance, loans and credit cards • Understand interest rates, fees and charges • How to understand the Terms and Conditions related to taking out insurance, loans and credit cards. 	
5 mins	<p>Introduce Kenny and Levi, the characters used to illustrate this week's module.</p>	<p>Learners should still be logged onto the digital platform, and looking at the Week 3 module: 'Choosing a New Financial Product'.</p> <p>Ask them to click through to Slide 3. This slide introduces Kenny and Levi, and the kind of content that will be covered through the session.</p>	<p>Laptops / Computer / Tablets</p> <p>Pen & paper</p>
5 mins	<p>Introduce the idea of a 'financial product'.</p> <p>Describe three kinds of major financial products:</p> <ul style="list-style-type: none"> • Insurance • Loans • Credit cards 	<p>Learners should follow Slide 4 on the digital platform.</p> <p>This slide explains what financial products are and why users should be aware of them:</p> <p>The term 'financial products' refers to a service provided by a bank, building society, or other financial organisation. Lots of financial products are used in everyday life - like bank accounts - and some are legal requirements - like car insurance for car owners.</p> <p>Financial products are really useful to know about, because different products do different things. Even with one product - like insurance - the cost difference between different providers can be huge.</p>	<p>Laptops / Computer / Tablets</p> <p>Pen & paper</p>

<p>10 mins</p>	<p>Learners are Introduced to the idea of insurance.</p> <p>Learners are introduced to how insurance works, and the different kinds of insurance on offer.</p>	<p>Learners should follow Slide 5 on the digital platform.</p> <p>Insurance helps you protect yourself against risks like a house fire, burglary, car accident. You can also get insurance that pays you money if you get too ill to work or to provide for your family.</p> <p>Buying new insurance is usually quite simple. You first choose a policy, and agree to open the policy with the insurance company who are selling it. You then pay the premium - which is the amount that the insurance costs you. Then, if something goes wrong, you can make a claim with the insurance company.</p> <p>These are the main types of insurance:</p> <ul style="list-style-type: none"> ● Home buildings insurance ● Home contents insurance Pet insurance ● Car insurance ● Travel insurance ● Life insurance / Critical illness cover / PPI ● Medical / Dental insurance 	<p>Laptops / Computer / Tablets</p> <p>Pen & paper</p>
<p>5 mins</p>	<p>Learners should think about what insurance is most relevant to them.</p> <p>Learners are directed to websites where they can find out more about car and home insurance.</p>	<p>Learners should follow Slide 6 on the digital platform.</p> <p>The kinds of insurance listed on the last slide show us how many types there are.</p> <p>Most of them don't apply to everyone. The main ones to know about are home contents insurance and car insurance, because these are the ones that most people have.</p> <ul style="list-style-type: none"> ● People, whether they own or rent, might want contents insurance to protect themselves against theft or damage. ● The law requires everyone with a car to have car insurance 	<p>Laptops / Computer / Tablets</p> <p>Pen & paper</p>

5 mins	This session slide focusses on home insurance: Learners are introduced to some insurance terminology.	<p>Learners should follow Slide 7 on the digital platform.</p> <p>This slide concentrates on home insurance.</p> <p>Remind learners that all insurance policies are different. They should read each policy, and compare the price and the amount of cover. Just because a policy is more expensive, doesn't mean that it always covers more.</p>	<p>Laptops / Computer / Tablets</p> <p>Pen & paper</p>
5 mins	This session slide focusses on pet insurance: Learners are introduced to further insurance terminology.	<p>Learners should follow Slide 8 on the digital platform.</p> <p>This slide concentrates on pet insurance.</p> <p>Remind learners that all insurance policies are different. They should read each policy, and compare the price and the amount of cover. Just because a policy is more expensive, doesn't mean that it always covers more.</p>	<p>Laptops / Computer / Tablets</p> <p>Pen & paper</p>
5 mins	<p>This session slide focusses on car insurance: Learners are introduced to eve more insurance terminology.</p> <p>Learners are led the different levels of insurance available.</p>	<p>Learners should follow Slide 9 on the digital platform.</p> <p>This slide concentrates on car insurance.</p> <p>There are three types of car insurance. These are known as:</p> <ul style="list-style-type: none"> ● Third party ● Third party, fire and theft ● Comprehensive <p>Third party insurance is the minimum cover that you can legally have. It covers other people (third parties) but not you. If you injure someone or damage their property, they are covered. However, if your own car is damaged or stolen, then you are not covered.</p> <p>Third party, fire and theft is like third party insurance. The only difference is that, if your car is stolen or damaged by fire, then you are covered.</p>	<p>Laptops / Computer / Tablets</p> <p>Pen & paper</p>

		<p>Comprehensive covers everything that third party insurance does. But in addition to this, it also covers the costs of your own car, even if your car is damaged in an accident that was your fault.</p>	
5 mins	This session slide focusses on life insurance: Learners are introduced to more insurance terminology.	<p>Learners should follow Slide 10 on the digital platform.</p> <p>This slide concentrates on life insurance.</p>	<p>Laptops / Computer / Tablets</p> <p>Pen & paper</p>
5 mins	This session slide focusses on medical insurance: Learners are introduced to more insurance terminology.	<p>Learners should follow Slide 11 on the digital platform.</p> <p>This slide concentrates on medical insurance.</p>	<p>Laptops / Computer / Tablets</p> <p>Pen & paper</p>
5 mins	This session slide focusses on how insurance works.	<p>Learners should follow Slides 12 and 13 on the digital platform.</p> <p>These slides explain how insurance works and the potential relevance to the user of considering purchasing insurance. It takes users through the 3 key steps:-</p> <ol style="list-style-type: none"> 1. Choose a Policy 2. Pay the Premium 3. Make a Claim 	<p>Laptops / Computer / Tablets</p> <p>Pen & paper</p>
5 mins	This session slide takes the focus back to the character Kenny, who wants to choose some car insurance.	<p>Learners should follow Slides 14 on the digital platform.</p> <p>Ask learners to look at each one, and think about which might be best for Kenny. Bear in mind that he only wants to spend £200 on his car.</p> <p>Remind learners that all insurance policies are different. They should read each policy, and compare the price and the amount of cover. Just</p>	<p>Laptops / Computer / Tablets</p> <p>Pen & paper</p>

		because a policy is more expensive, doesn't mean that it always covers more.	
5 mins	<p>Learners are introduced to more insurance terminology:</p> <ul style="list-style-type: none"> ● terms and conditions ● no claims bonuses ● excess ● what you must declare to an insurance company <p>Learners should consolidate this understanding through a short test.</p>	<p>Learners should follow Slides 15 - 19 on the digital platform.</p> <p>Insurance policies always contain complicated language. Follow the 'find out more' link on the screen. This takes you to a money advice service page which explains some insurance terms. With the learners, look at:</p> <ul style="list-style-type: none"> ● No claims bonus ● Excess ● What you must declare to an insurance company <p>Remind learners that: in any policy, and in any type of insurance, there will be terms and conditions attached. It is very important to check what these terms and conditions are, so that you don't have problems if you need to make a claim.</p>	<p>Laptops / Computer / Tablets</p> <p>Pen & paper</p>
5 mins	Learners perform an assessment	<p>Learners should move onto Slide 20, which is a quick assessment quiz on what you must declare to an insurance company.</p> <p>Assessment is performed by users dragging and dropping what they feel are the correct answers to an answer box.</p>	<p>Laptops / Computer / Tablets</p> <p>Pen & paper</p>
5 mins	<p>Learners are introduced to the idea of borrowing money.</p> <p>Learners are introduced to the idea of a 'personal loan' as one way of borrowing money.</p>	<p>Learners should follow Slides 21 - 22 on the digital platform.</p> <p>Borrowing money can be really useful sometimes. But it can also cause problems. If you can't pay the money back, then it is easy to get charged a lot of interest, and get into more debt than you can handle.</p> <p>Ask learners to follow the link on the screen. This will take them to the Money Advice Service website.</p>	<p>Laptops / Computer / Tablets</p> <p>Pen & paper</p>

		Kenny and Levi type in ' personal loans ' to the search box on the Money Advice Service website. This gives them information on what a personal loan is. Carefully go through this information with learners.	
5 mins	<p>Learners are introduced to the idea of a personal loan, as just one way of borrowing money.</p> <p>Learners explore the Money Advice Service loan calculator. By the end of this segment, learners should be comfortable using the loan calculator to understand the full costs of a personal loan.</p>	<p>Learners should follow Slide 23 on the digital platform.</p> <p>When a bank gives you a loan, they earn money by charging you interest. This means that, the cost of the loan always ends up as more than the amount that you borrowed in the first place.</p> <p>Before you take a loan, you need to know:</p> <ul style="list-style-type: none"> • That you can afford the repayments • How much the total cost of the loan will be. This will be the amount that you borrowed, plus any interest that you have to pay. <p>This slide shows the loan calculator from the Money Advice Service website. This calculator shows learners how to calculate the total cost of a personal loan.</p> <p>Slide 24 introduces the idea of a payday loan.</p>	<p>Laptops / Computer / Tablets</p> <p>Pen & paper</p>
5 mins	Learners are introduced to payday loans, and informed of the dangers of this kind of loan.	<p>Learners should follow Slides 24 - 25 on the digital platform.</p> <p>Slide 14 describes what a payday loan is. A payday loan is a loan for a very short period (usually up to 28 days). The idea is that they give you access to money quickly, which you then pay back when your pay slip comes through.</p> <p>The price of this convenience is a very high interest rate. Because payday loans have such a high interest rate, they are quite dangerous. If you can't pay back the loan quickly, then you are liable for high costs. These can easily get out of control.</p>	<p>Laptops / Computer / Tablets</p> <p>Pen & paper</p>

5 mins	<p>Learners are introduced to credit unions, as an alternative to other ways of borrowing money.</p> <p>Learners find out how to find a local credit union, and whether they are eligible to borrow from a credit union.</p>	<p>Learners should follow Slide 26 on the digital platform.</p> <p>This slide describes what a credit union is, and why it is a good alternative to a payday loan.</p> <p>An alternative to payday loans is a small loan from a credit union. A credit union is a non-profit financial organisation. It is a bit like a bank. A credit union enables you to save and borrow relatively cheaply.</p> <p>You normally have to live in a particular area to use a local credit union.</p> <p>Follow the link on the slide. This takes them to www.abcuk.org, where they can find out if there is a credit union local to them.</p>	<p>Laptops / Computer / Tablets</p> <p>Pen & paper</p>
5 mins	<p>Learners understand the safe use of credit cards, and the risks associated with this method of borrowing.</p> <p>Learners understand how to choose a credit card, and how to compare costs of different credit cards, ie APR [An annual percentage rate (APR) is the annual rate charged for borrowing or earned through an investment, and is expressed as a percentage that represents the actual yearly cost of funds over the term of a loan].</p>	<p>Learners should follow Slides 27 - 28 on the digital platform.</p> <p>A credit card is a way of borrowing money from a bank. You can spend up to a pre-set credit limit. This might be a few hundred, or a few thousand pounds. The credit limit is set by the card company.</p> <p>You should pay off your credit card bill every month. If you don't, then you will pay interest on what you have spent.</p> <p>Don't be tempted to use credit cards at cash machines to withdraw money. You'll be hit with high charges for doing this.</p> <p>Charges are not the same for all banks and credit card companies. Before taking out a credit card, you should always compare costs through 2 or 3 comparison sites. For example:</p> <ul style="list-style-type: none"> ● Which? ● Money Saving Expert 	<p>Laptops / Computer / Tablets</p> <p>Pen & paper</p>

5 mins	Summary of what has been achieved in this lesson.	Final sub-unit 3.3 slide is Slide 29 - Conclusion <ul style="list-style-type: none">● Learnt about insurance, loans and credit cards. Unit 3 - is complete. Learners can exit the unit by clicking on the red Exit Activity bar at the top of the page.	Pen & paper
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