



10 FINANCIAL QUESTIONS

every couple should ask

Seventy-five per cent of couples find it tough to talk about money*. Here's how to avoid a cash crisis...

1 Where do we want to be financially in ten years time?

This smacks of a job interview question, but discussing financial goals is important. If you want the mortgage paid while your partner's thinking of bigger cars and boys' toys, you need to talk! Compromise by setting aside some savings and agreeing a budget for 'fun' things.

2 Should we be pooling all our money in a joint account?

A joint account is good for paying the mortgage and bills, but you need your 'own' money to avoid rows over your shoe shopping bill or his flutters on the horses, for example. Keep joint and separate accounts to retain your financial independence, and you won't open the joint bank statement to find your partner's bought surprise tickets to Paris for your birthday!

3 Are we dividing household bills fairly?

'If one of you earns more than the other, rather than splitting the bills fifty-fifty, why not agree to pay a proportion based on your earnings,' says financial coach Simonne Gnessen from www.financial-coaching.co.uk. Keep household bills in joint names to boost your credit rating regardless of who's paying them, and review your arrangement annually. But if you've got your own credit cards for personal spending, then it should be down to you to cover those.

4 What's our money history?

You know the names of his exes but what about past money habits? 'Some of the way we handle money is down to the way we're brought up,' says Simonne, but it's possible to ditch those bad habits. So, if you know you're tempted with a credit card in your pocket, leave your card at home and stick with a cash budget to make you think before you spend.

5 What happens if one of us gets a big bonus or an inheritance?

This is a tricky one, as you may have worked long hours and put in some weekend overtime to secure the payout if it's a work bonus. If regular bonuses are part of your salary package, then count this as income and the higher earner should pay a greater amount of the household bills, but if it's a one-off then talk first before the cheque comes in and ask yourself what you'd do in the same position. With an inheritance, we can feel guilty about spending it, so it's worth talking about this before the event.

6 How should we manage our savings to ensure we use up all our tax allowances?

Start by opening a cash ISA (Individual Savings Account), where interest is paid tax free. You can both have one and each save up to £3600 per tax year, so make sure you use your maximum allowance before you stick any savings in other bank or building society accounts, where you'll be taxed on the interest. Most cash ISA accounts offer instant access to your money, so if you need to dip into it you can without losing interest or paying penalties.

7 Have we got any outstanding debts that could hamper our financial future?

A credit card bill you've never cleared or hangover debts from previous relationships can be common - 'Many people hide debts,' says Martin Lewis from www.moneysavingexpert.com. Be honest from day one, or a poor credit rating can come back to haunt you as you may find you're rejected for that joint mortgage.

