

## Transcription Sequence

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What are the key things to know about overdrafts?

Overdrafts help you to move out your cashflow. They're a good way of balancing your finances in the short term if, for example, the money that you've got coming in doesn't quite cover the money that you've got going out. It's always better to ask your bank first if you want an overdraft facility. If you don't it will prove more expensive; as you'll pay more interest and you may incur bank charges. Some current accounts include an overdraft facility as part of the account but others will charge you a fee to arrange an overdraft. If you are going to incur any charges on your overdraft facility, your bank statement will notify you in advance of these charges. The sums charged will show on your bank statement but if you don't use your overdraft facility you won't be charged an interest. An overdraft, while providing flexibility, should really only be used as a short term facility. You need to bear in mind that your overdraft will need repaying when the overdraft expires.