

## THE SHOPAHOLIC

Sophie Walsh, 37, is an ad director and earns £75k a year.

'I'VE ALWAYS BEEN a frivolous spender and tend to keep withdrawing cash until I get declined! I have a savings account and aim to put aside £350 a month but often that ends up going on a holiday or something nice for my house. I don't have a pension or investments - I see my house as my savings plan.'

### SOPHIE'S MONEY DIARY

#### SATURDAY

- £167 M&S groceries for eight-person lunch
- £38 Drycleaning
- £36 Cinema, popcorn and wine
- £50 Dog grooming

#### SUNDAY

- £4.50 Newspapers

#### MONDAY

- £10.50 Taxi to the station
- £3.89 Pret coffee and porridge
- 95p Newspaper and sweets
- £5.50 Lunch
- £8.67 Flu remedies
- £18.30 M&S groceries
- £8 Taxi from tube station

#### TUESDAY

- £10.50 Taxi to tube station
- £3.89 Pret coffee and porridge
- £5.50 Lunch from Leon
- 95p Newspapers
- £9.80 M&S groceries
- £4.50 Flu remedies
- £3 Bag of fruit
- £8 Taxi from tube station

#### WEDNESDAY

- £21 Taxis
- £3.89 Pret coffee and porridge
- £20 Cleaner
- £58.50 Books from Amazon
- £58 Dinner at gastropub

**WEEKLY SPEND: £1481.98**

#### PLUS MONTHLY BILLS

Mortgage £2222.15, utilities £105.70, Sky and internet £84, insurance £154, council tax £126, mobile £35

#### WEEKLY GRAND TOTAL:

£1503.22



#### THE FINANCIAL PSYCHOLOGIST:

**Benjamin Fry, author, Spendsmart\***  
 'When Sophie needs a boost or feels stressed, she spoils herself by spending. But ultimately these treats won't make her feel better as, financially, they all add up. Sophie needs to realise that spending choices must be logical. Every time she's tempted to act on the idea that she 'deserves' something, she should write down why she feels that way. In time, she'll see a pattern develop.'

#### THE EVERYDAY EXPERT:

**Jay Hunt, author, Spendsmart\***  
 'Sophie needs to rein in her lavish gestures. When friends come round why doesn't everyone bring a dish? Or she could get a Taste London card\*, which offers 50 per cent off at restaurants in the capital. She could also buy drycleaning sheets to use in her tumble drier, while bringing her own breakfast to work would save £150 a year.'

#### THE INVESTMENT EXPERT:

**Anita Brooks, accountsassist.co.uk**  
 'With Sophie's income she should be investing more money. She should aim to save at least 10 per cent of her monthly salary (£400), which she should put in an ISA (a tax-free account). If she did, within five years, she'd probably have a nest egg of about £25k.'

Sophie's mortgage is based on a standard variable rate; switching to a fixed rate could save £400 a year.

Lastly, Sophie should investigate whether her company offers a pension plan.

#### THE ENERGY EXPERT:

**Emma Thompson, E.ON Energy**  
 'It's great that Sophie pays her energy bills by direct debit as this always works out 10 per cent cheaper. To cut back even further, she should also consider an online bundle package, which combines gas and electricity payments, and saves up to £300 a year.'

My final suggestion is, 20 minutes before leaving the house in the morning, Sophie should turn her heating off. When you're rushing around to get ready, you don't notice the temperature falling.'

#### ONE WEEK LATER... Sophie's comments

'It wasn't until I kept a diary of my spending that I realised how bad I am with money. I'm horrified at how much I waste. I agree with Benjamin, I do reward myself - with taxis or a Pret breakfast - if I'm anticipating a stressful day at work. I also waste money through being disorganised - if I planned meals or organised myself for work the night before I could save more. I'll take on board the tips about saving and pensions, too. After following everyone's tips I couldn't believe how much I saved - over £400 in just one week!

## THE FRUGAL MUM

Suzanne James, 42, runs an events and catering company and earns about £36k a year.

'I'M CAREFUL WITH MONEY - more so since I've had children. I'm always trying to find ways to save and I'm notorious for asking for a discount. My husband and I save £100 a week and we rent out a second house. I suspect a lot of money goes on my kids!'

### SUZANNE'S MONEY DIARY

#### SATURDAY

- £68 Sainsbury's groceries
- £10 Running lessons for the family
- £25 Drama class for children
- £10 Football lessons for my son

#### SUNDAY

- £20 Boot fair (£3 entry each, £2 Massimo Dutti belt, £3 Lego, £2 GapKids jeans, £2 Zara skirt)
- £8 Rugby lessons for the children
- £34.40 Cinema trip for the family

#### MONDAY

- £16 Half-term swimming lessons for both children
- £21.75 Trumpet lessons for my son

#### TUESDAY

- £73 Sainsbury's groceries
- £6 Ice creams for the children

#### WEDNESDAY

- £6.50 Drinks at networking event
- £80 Hairdresser

**WEEKLY SPEND: £674.87**

#### PLUS MONTHLY BILLS

Mortgage £163.33, utilities £340.24, Sky subscription £61, council tax £149, children's savings accounts £200, dental plan £29.38, home insurance £176.24, Scottish Provident (I'm not sure what this is for!) £31.62, phone £17.82

**WEEKLY GRAND TOTAL: £1175.34**

#### THE FINANCIAL PSYCHOLOGIST:

**Benjamin Fry, author, SpendSmart\***

'Suzanne has excellent money management skills but, if anything, has an Achilles heel with her children. Is she using them to repair a sense of neglect in her own childhood? Ultimately this won't work, as over-indulging children may have financial repercussions and they will have a subtle sense that things are out of balance.'

#### THE EVERYDAY EXPERT:

**Jay Hunt, author, SpendSmart**

'Suzanne should always know what her bills are for! Plus she could try donating old children's clothes with the Marks & Spencer and Oxfam exchange scheme, which offers £5 vouchers in return. She could also visit [mysupermarket.com](http://mysupermarket.com), which compares grocery prices to get the best deal. For a quick cash injection, she could also sell the kids' unwanted toys and clothes on eBay.'

#### THE INVESTMENT EXPERT:

**Anita Brooks, [accountsassist.co.uk](http://accountsassist.co.uk)**

'As with Sophie, Suzanne could consider opting for a fixed rate mortgage, which could save her money. She should also investigate specialised savings accounts for youngsters, such as The Yorkshire Building Society Child Trust Fund, which offer higher rates for children.'

Lastly, she should contact The Pensions Advisory Service ([pensionsadvisoryservice.org.uk](http://pensionsadvisoryservice.org.uk)) for free advice to ensure she's on the best pension plan.'

#### THE ENERGY EXPERT:

**Emma Thompson, E.ON Energy**

'Suzanne's bills are fairly normal for a family of four, but I would suggest she moves to an online energy tariff and direct debit to save up to £200 a year. Now winter's over, turning her heating down to 21°C will cut her heating bill by 10 per cent.'

There's a great nationwide scheme Suzanne could take advantage of called Economy 7. It provides cheaper evening electricity rates for families, and could save her up to £270 a year.'

#### ONE WEEK LATER... Suzanne's comments

'I found the psychologist's comments very interesting. I grew up in a working class family during the '70s and feel that I'm offering my children opportunities that I didn't have. I don't see it as a bad thing, but I accept that because I don't spend as much time with my children as I like, I sometimes over-compensate by spending money on them. In the past week, I've cancelled my payments to Scottish Provident (I can't believe I didn't know what they were for!), and I plan to look at selling some old toys and clothes.'

