**Lola’s quick cash loan**



Lola has a good friend’s birthday coming up; she needs a present and an outfit but doesn’t get paid for 2 weeks. She has heard there is a cash lending company who don’t need too much paper work to approve you and they can pay you the money on the same day you apply!

Lola gets approved online easily and sets up her repayments over 8 weeks (4 payments) which she thinks will be affordable. She doesn’t pay attention to the fees because she really needs the money, but afterwards Lola realises the total cost to borrow $350 is $693.60!

Over the coming weeks she has to buy phone credit, her Netflix and Spotify payments come out of her account, and she needs to put up the money for a new uniform at work which won’t be reimbursed for a month.

Lola has received a couple of letters from the creditor which show she is getting charged extra fees but she ignores them because she hasn’t got the money and she knows none of her family or friends can help!

Soon Lola owes over $1000!

**What will happen if Lola keeps ignoring the letters?**

**What could Lola have done to avoid this situation?**

**How could Lola’s credit decisions affect her future?**