



## Questions & Answers

1. What is it about 'Chip and PIN' which is meant to prevent credit card fraud?  
**It requires customers to input a secret personal identification number (PIN)**
2. How much must a consumer pay of the total hire purchase price to prevent the goods from being repossessed?  
(a) 1/3 (one third)  
(b) 1/2 (half)  
(c) 2/3 (two thirds)  
**Answer (a) 1/3 (one third)**
3. A credit broker advertises "CCJs no problem". What is a CCJ?  
**County Court Judgment**
4. Why is it a good idea to check your credit report on a regular basis?  
**Checking your report (which can be accessed for a small fee of £2) will help you spot any errors that can affect your credit rating and will alert you to any cases of identity theft**
5. Why do banks have special arrangements for house purchases made by Islamic customers?  
**It is against Islamic law to pay or receive interest**
6. When buying a single item costing between £100 and £30,000, why is it better to use a credit card?  
**Because if the goods are faulty, don't match the description or the company goes bust before the goods arrive, by law your credit card provider must help recover your money. This is called equal or joint liability**
7. If you withdraw £160 pounds from an ATM using your credit card to buy a leather jacket, can you claim against your credit card provider under equal or joint liability if the stitching comes apart after a month?  
**No. A cash withdrawal using a credit card is not covered by the Consumer Credit Act**
8. You're asked to pay a deposit for a pair of specially made curtains. You pay £5 on your credit card and £100 in cash as a deposit. Will you be able to claim back £105 from your credit card provider if the curtain company goes out of business before you take delivery of your curtains?  
**Yes. Whether you use your credit card to pay the full amount or even just a small part of it (as little as £1 but no more than £25,000), by law the credit card provider must help you get your money back**