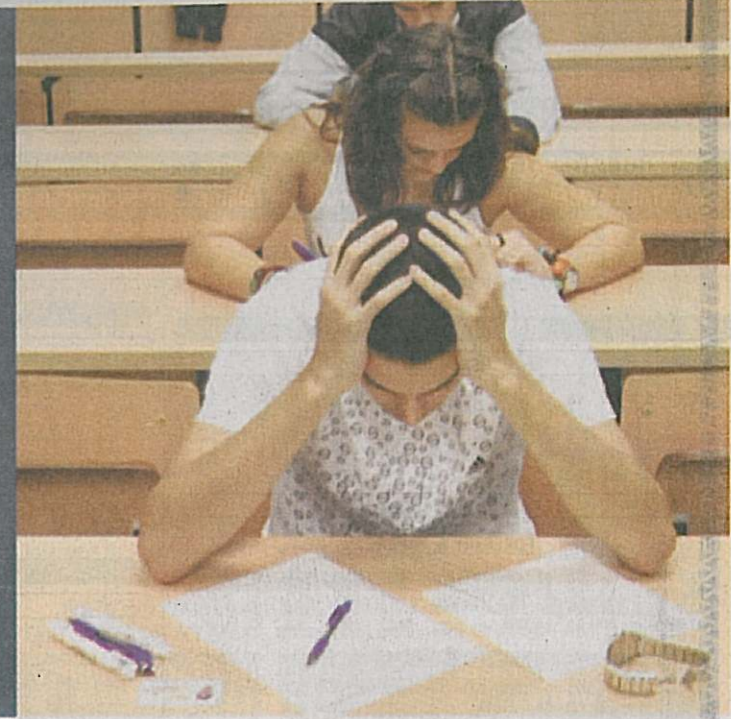




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# Money

## DO YOU TAKE ME FOR MY CREDIT RECORD?

The downside of 'for richer, for poorer' ought not to be a foregone conclusion, writes **Robert Laing**

**P**ICKING partners by how good their credit history looks might not seem very romantic, but remember that you will pay a premium for your home loan if their payment record is not sexy.

When couples apply for mortgages, banks allow their combined income to be taken into account during the affordability assessment. This means couples get to buy bigger houses than single people.

But Standard Bank warns: "How you manage your individual debt and the resultant credit history that you create will have an impact on your 'joint' ability to secure credit facilities. It is therefore important that both parties manage their accounts in a responsible manner so as not to negatively affect their credit profile, as a couple, later."

Joint bank accounts tend not to be entirely equal due to the legal complications which arise when dealing with deceased estates and persons married out of community with an anti-nuptial contract.

"To facilitate the lack of joint accounts, we provide the primary account holder with a facility to enable their spouse or partner to operate on the account.

"This is done via an authority-to-operate form which provides a partner unrestricted access to the account. Naturally the main account holder can also influence the degree to which the partner may operate on the account.

"We also offer secondary accounts which operate as two separate accounts but benefit from a fee discount," Standard said.

A danger with a linked bank account is that, if your partner is financially irresponsible, you may end up with a black mark on your credit record no matter how diligently you pay your bills.

A shared bank account can lead to marital strife that couples who each have a salary paid into separate accounts can avoid.

But according to the All Media and Products Survey (Amps) done by the South African Advertising Research Foundation,

only 38% of South African women who were married or living with someone believed that it was important to have a career outside of the home.

Robyn Farrell, managing director of 1st for Women Insurance Brokers, said financial literacy was a feminist issue: "Historically, women have relied on their husbands to run the finances. Some have even been conditioned to do so. This is true across the world.

"However, women nowadays generally recognise the need and importance of managing their own financial affairs. Unfortunately, not all of them know how to go about it," she said.

"Some feel intimidated by financial issues."

A recent online poll by women24.com found that in 54% of families the wife runs the budget. But, alarmingly, 17% of women said they left all money matters to their partners.

"Research shows that at least 50% of women will divorce. They also tend to live longer

### SIX FINANCIAL MISTAKES COUPLES MAKE

- |   |  |
|---|--|
| ✗ United we stand, divided we bank.                                       | ✓ It's yours, mine and ours.   |
| ✗ Your debt will ruin us; you must find a way to pay it off.              | ✓ It's our debt: Let's decide how to pay it off together.              |
| ✗ I'm a saver and you're a spender. That's the problem.                   | ✓ We both spend, but on different things. Let's budget.                |
| ✗ You're a risk-taker, I'm risk-averse. Hands off our retirement savings. | ✓ Let's think in time frames and take as much risk as our goals allow. |
| ✗ What my spouse doesn't know will never hurt him/her.                    | ✓ Big financial secrets can ruin a marriage.                           |
| ✗ We're fine. We don't need to worry about money.                         | ✓ Anything could happen. Let's plan for emergencies.                   |

Source: smartmoney.com



Graphic: FIONA KRISCH. Pic: GALLIO IMAGES/AGF

than men. Against this backdrop, women should actively participate in running the family finances and become financially literate because there will almost certainly come a time when they'll have to take charge of their own financial matters," said Farrell. Parents need to worry about financing their children's education (see Pennypinchers on Page 11), and also to teach them how to handle money.

Sanlam's Karin Muller said: "Children should be taught the value of money from a

young age: what its purpose is, how to prioritise spending and how to save for things they really want. Parents should consider opening bank accounts for their children, allowing them to learn these valuable lessons through practice."

Money is what couples tend to fight about most, so learning to talk about finance is important to keep a marriage going.

If either of you have been married previously, remember to update your will.

Michelle Human, Liberty Life's senior legal

adviser, said: "Legislation allows for a window period of three months after divorce during which it is assumed that you intended to disinherit your ex-spouse.

However, once this three-month period has elapsed, it is assumed that you clearly would have amended your will if this had been your intention.

The effect is that the assumption now allows for your ex-spouse to inherit, even though you have now divorced and have no intention of leaving assets to him or her."