



# Talking to friends about money

# Money Helper

MoneyHelper is here to make your money and pension choices clearer. Here to cut through the complexity, explain what you need to do and how you can do it. Here to put you in control with impartial guidance that's backed by government and to recommend further, trusted support if you need it. For clear money help that's on your side and free to use, just search for MoneyHelper.

[moneyhelper.org.uk](https://moneyhelper.org.uk)



**You typically don't live with your friends, so if you want to see them, you generally make an occasion of it - such as a trip to the pub, lunch, or a playdate etc.**

And with friends come weddings, birthday parties, housewarmings, and other celebrations - which can be costly after you've covered presents, booze and food. There is always money to be spent.

It can be difficult to tell your friends you can't afford to live it up every night but there are always ways to cut down and still see your mates.

# Telling your friends you can't afford to go out

Your friends are your friends for reasons outside of how much money you make or have to spend. It's seriously unlikely that they will stop hanging out with you just because you can't join them in activities that cost a lot of money.

Don't assume they know what disposable income you have, or if you are under pressure to keep up. If you don't tell them, they won't know.

If the people closest to you honestly don't know what's going on with you, it is probably just as uncomfortable for them if you are constantly ducking out or making excuses as to why you can't hang out.

Here are a few tips that could help:

- Sit down with them and explain that it's important to you to save up for XYZ, so you're looking for ways to keep costs low. They might even offer some suggestions.
- Take control of meet-ups and try and centre your time together around free or cheap activities, they can be just as fun as costly activities. Only take the amount of money you can afford to spend. You can always let the people you are with know how much you have and that when it's gone it's gone. It might even help you and your friends prioritise what you would like to do most given the cash available.

Ask your friends if they would be up for being a 'Savings Supporter' – someone who helps you reach your saving goals. Tell them what you are saving for and how much you need. Your friend can then have regular conversations with you to check on your progress and support you on your journey. Why not even exchange support – what could they use your help with?

Research also shows that if we let people know about our savings targets it helps to keep us focused and we get to our goal quicker than if we had kept quiet about it.

# How to deal with a friend asking to borrow money

If a mate is asking to borrow some cash, it can be really hard to say no. You don't want to lose them as a friend because of a fight about money, but at the same time, you care about them, so want to help them out.

Lending money to a friend can put a strain on a relationship, particularly if you would find it stressful to chase them for money owed or would struggle if they didn't pay you back. If this is the case, it's probably best not to lend the money.

Don't feel guilty about not lending a friend money. You can support them in other ways, such as by making them aware of our website and that we have content on [what to think about before you borrow](#) and help to [cut back on spending](#).

You can also support them by saying no – after all, building up debt that might damage the relationship isn't going to help your friend.

If you are thinking about loaning money, ask yourself the following questions:

- **Can I afford it?** Look at your own budget to make sure you're not going to get yourself into money trouble first. Can you afford to not get the money back? Our [Budget Planner](#) can help.
- **Can they afford it?** If they won't be able to pay you back in full, you're opening yourself up to a whole world of trouble. If they can't prove they can repay you, don't lend them the money. You could even share our page about the [pros and cons of borrowing from family or friends](#).
- **How formal is this arrangement going to be?** If you decide to lend your friend some money, it's always good to get it in writing, whether it's just an email or something more formal like a contract.



# Getting loaned money back

**Asking friends to pay back the money they owe you can be pretty stressful. It's especially bad if you know your mate is skint and will struggle to come up with the money.**

If you really value your friendship, it's important not to get confrontational when asking for your money back.

You could always assume the best, that the friend has simply forgotten, and then try to jog their memory with a few well-placed hints.

Depending on how you prefer to do things, having discussions about lending and borrowing cash can sometimes be a bit easier if you do it through texts or email. This also means you have everything in writing about how much cash is involved and when it is going to be paid back.

It might be worth adding a sense of urgency to your request so your friend understands you are now in a sticky situation because you lent them the money. Phrases like 'I'm sorry to ask this, but I really need that money back by XX because I have to pay XX back', might do the trick.

If all discussions break down and you don't think you're going to be able to get your money back just by talking, as a last resort you can always seek legal help and make a court claim for money.

It's worth noting that making a claim is not free and starts from £23 when you're claiming up to £300.

If the money you have loaned your friend now means you are struggling financially, you should adjust your budget.





# Money Helper

## Everyday money

MoneyHelper is here to make your money and pension choices clearer. Here to put you in control with impartial help that's on your side, backed by government and free to use.

 Phone **0800 138 7777\***

 Typetalk **18001 0800 915 4622\***  
Monday to Friday, 8am to 6pm

**For more help see our guides on our site:**

- Talking to yourself about money
- Talking to your partner about money
- Talking to friends about money
- Talking with older people about money

Provided by



**Money &  
Pensions  
Service**

\*Calls are free. We're committed to providing you with a quality service, so calls may be recorded or monitored for training purposes and to help us develop our services.

Ref: MH\_RS0002