Money Mini Task: Choosing a Pre-paid Payment Card

Setting the scene

Ash is seventeen years old. He wants to get a payment card so he can buy things in the local shops and so that he doesn't have to carry much cash. He also wants to use it to buy items online. He has no credit record, so he can't get a debit or credit card.

He decides that a pre-paid payment card would be a good option for him. You are going to help him choose a pre-paid card.

In this task you will use a table to find out the cost of three different choices of card.

You will also work out what it will cost Ash to use his card in a year.
In this task you will practise your skills to:

- find information in a table
- decide what calculations you need to make
- use a calculator to solve everyday problems
- add decimals to work out amounts of money.

Use a calculator if you have one for the tasks below. In some formal assessments, like the National Numeracy Test, you may not be able to use a calculator. When you are applying your skills to a real-life task, it is often useful to use a calculator if you can. Using a calculator well is an important maths skill in itself.

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Source material

Ash has got some information about three different payment cards:

Issuer	Card issue fee	Reload fees	Monthly fee	Other fees
Visa	£29.99	Post Office – FREE Wage payments – FREE Approved shops – FREE	FREE	ATM fee: £2.00 Per use: FREE
Mastercard	£9.95	Post Office – FREE Wage payments – FREE	£4.75	ATM fee: £1.50
Maestro	~~£9.95~~ Special offer! £4.99	FREE	£4.95	ATM fee: 99p

Example:

Let's look at the costs of the first card in the table (Visa):

For this card there is a one-off cost of £29.99 to get the card in the first place.

There is *no* monthly fee, so he won't need to pay every month he keeps the card.

Every time he uses a cash machine (ATM) to get out money, he will be charged £2.

It won't cost him anything to use it when he buys things in shops or online.

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Check you can see where to find the information about these key costs

Cost to get a card

No monthly fee

Cost every time he uses a cash machine

Issuer	Card issue fee	Reload fees	Monthly fee	Other fees
Visa	£29.99	Post Office – FREE Wage payments – FREE Approved shops – FREE	FREE	ATM fee: £2.00 Per use: FREE

Cost when he buys things with the card

Ash wants to use this card to take money out of a cash machine once a week for his night out.

In a month (4 weeks) this will cost him **£8.00**

It will cost him £2 <u>each time</u> he uses the machine

*£2 x 4 = **£8** per month*

Over a year (52 weeks) it will cost him **£104** to take money out once a week.

*£2 per week x 52 wks = **£104***

It won't cost him to buy things online or in the shops.

So, the full cost of the card over one year will be **£133.99**

£104.00 for cash withdrawals

<u>£ 29.99</u> + card issue fee

£133.99

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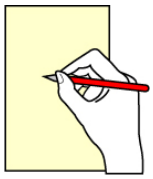

Task

Look at the three choices of card in the table in the source material.

Look at the costs of using the second choice (Mastercard).

Use the Source material and the example to help you answer these questions:

1. **How much will it cost Ash *each time* he uses the card to take cash out of a machine?**
2. **How much will it cost *in a year* to take money out once a week?**
3. **What will the card cost him *altogether* over a year?**

Now look at the costs of using the third choice (Maestro).

Use the Source material and the example to help you answer these questions:

4. **How much would he save with the *special offer* on this card?**
5. **How much will it cost Ash to take money out *once a week for a year*?**

   Tip: Be careful – remember your calculation is in pounds. How will you put 99p into your calculator?
6. **What will this card cost him *altogether* over a year?**

Think about all three choices of card.

7. **Which card do you think would be the best choice for Ash?**

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How did you get on?

Mastercard:

1. It would cost him **£1.50** each time he takes money out of a cash machine with the Mastercard.

2. It would cost **£78** in a year (52 weeks). <---- *£1.50 x 52 = **£78***

3. It would cost him **£87.95** altogether over a year. <----

£78.00	*for cash withdrawals*
£ 9.95 +	*card issue fee*
£87.95	

Maestro:

4. The special offer would save him **£4.96**. <---- *£9.95 – £4.99 = **£4.96***

5. It would cost **£78** in a year (52 weeks). <---- *£0.99 x 52 = **£51.48***

6. It would cost him **£56.47** altogether over a year. <----

£51.48	*for cash withdrawals*
£ 4.99 +	*card issue fee*
£56.47	

7. The **Maestro card** would be the cheapest option for Ash.

Visa	*£133.99*
Mastercard	*£ 87.95*
Maestro	***£ 56.47***

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For further information and practice

For more information about using pre-paid cards visit **What about Money?**
http://www.whataboutmoney.info/spending_money/prepaid/

If you would like more practice on deciding what calculation to make or making calculations with money, visit:

Hot Topics: Which Operation *on Move On website*

Hot Topics: Managing Money *on Move On website*

For more practice on finding information in tables, try:

BBC Skillswise RAW: Express Unit on **Tables**
http://www.bbc.co.uk/raw/money/express_unit_tables/

Adult Financial Capability Framework

B(a) 1 Different types of payment

B(c) 2 Recognise regular financial commitments

Numeracy Core Curriculum

N1/E3.9 Use + – x ÷ to solve practical problems

N2/E3.4 Use a calculator

MSS1/E3.1 Calculate with money using decimal notation