When you compare borrowing options, two figures matter straight away: the **amount advanced** and the **total repayable**. The amount advanced is the credit provided to you. The total repayable is what you are expected to pay back over the agreement, including the borrowed amount and the interest and charges included in the lender's calculation.

The gap between the two can be substantial. A loan that puts £1,000 in your account might cost more than £1,000 to repay. How much more depends on the interest rate, how long you borrow for, the repayment schedule and any fees. Looking at only one figure can make a deal seem cheaper—or more affordable—than it really is.

This guide explains what the figures mean, how they relate to APR and monthly payments, which fees to check, and how to consider alternatives before borrowing.

What does "amount advanced" mean?

The **amount advanced** is the amount of credit the lender provides under the agreement. It is sometimes described as the loan amount or amount of credit. If you borrow £1,000 and the lender pays £1,000 into your account, the amount advanced is usually £1,000.

Check whether the figure is the amount borrowed or the amount you will actually receive. For example, a lender might add an arrangement fee to the loan, or deduct a fee from the money paid to you. If you borrow £1,000 but £50 is taken as a fee, you may receive only £950 while still having to repay credit based on £1,000. The agreement should explain how the figures are worked out.

With a credit card or overdraft, the amount advanced can work differently from a one-off personal loan. You may have a credit limit, but you usually pay interest on the amount you actually use, subject to the account terms. A limit is not the same as money you need to borrow.



What does "total repayable" mean?

The **total repayable** is the total amount you are expected to pay under the credit agreement if you make the scheduled payments as agreed. It generally includes the amount borrowed, interest and any charges included in the calculation. Your pre-contract information and credit agreement should set out the total and explain the repayment terms.

For example, if you borrow £1,000 and the total repayable is £1,180, the difference is £180. That difference represents the interest and any included charges. It is the price of borrowing under the stated assumptions and repayment schedule—not an extra amount to borrow.

Be aware that the total shown may rely on assumptions, particularly if the rate is variable. It may also exclude charges that only arise if something happens, such as a missed payment or going over a limit. Read the terms to see what is included, what could change and what could cost extra.

Amount advanced vs total repayable: a simple example

Here is a simplified illustration, not a quote. It assumes a fixed interest rate, no fees and 12 equal monthly payments. Actual loan calculations can differ because of the rate, payment dates and lender's method.

Figure Illustrative amount What it tells you Amount advanced £1,000 The credit provided Total repayable £1,180 The total due across the scheduled payments Difference £180 The cost of borrowing included in this example Approximate monthly payment £98.33 The total divided by 12, for illustration only

In a real agreement, payments may not be exactly equal to the total divided by the number of months. The first or final payment can differ, and the repayment schedule will show the actual amount and date of each payment.

APR, monthly payment and total repayable: three different numbers

These figures answer different questions. Consider all of them rather than treating APR as the only number that matters.

- **APR (annual percentage rate):** a standardised way to show the annual cost of credit, taking account of the interest rate and certain compulsory charges. It can help with comparisons, but it is not your monthly payment and may not describe every cost you could face.
- **Monthly payment:** the amount due each month under the repayment schedule. This helps you judge whether repayments fit your budget, but a low payment can come from spreading borrowing over a longer period.
- **Total repayable:** the overall amount scheduled to be paid under the agreement. This helps show the full cost over the stated term, subject to the assumptions and terms.

For example, extending a loan term may reduce the monthly payment but increase the total interest paid, because you are borrowing for longer. A loan with a higher monthly payment might cost less overall if it is repaid sooner—but only if the payment is genuinely affordable and there are no costly early-repayment terms.



Compare offers for the same amount and a similar term where possible. If the borrowing amounts or loan lengths differ, put the figures side by side and note what is different. Ask for the repayment schedule if you cannot see how many payments are due, when they are due, or whether the final payment changes.

Fees, charges and variable rates: the costs people forget

Interest is only part of the picture. Check the agreement and pre-contract information for fees and charges, and whether they are included in the quoted total repayable. A fee may be payable upfront, added to the borrowing, deducted from the amount paid to you, or charged only if a particular event happens.

Keep this running list of **fees people forget** when comparing credit:

- Arrangement, application or broker fees
- Fees deducted before the money reaches your account
- Late-payment or missed-payment charges
- Charges for exceeding a credit limit or using an overdraft
- Optional extras, such as payment protection products
- Early-repayment or settlement charges, if they apply

Do not assume every item on this list applies to every product. Ask the lender what is compulsory, what is optional and what is not included in the total repayable. You should not need to pay an unexpected “urgent fee” simply because someone is pressuring you to act quickly. Pause and verify any request through the lender’s official contact details.

What if the rate is variable?

With a variable rate, the interest rate can change under the agreement. That can affect your monthly payment, the time it takes to repay the balance, or both. So a total repayable figure based on today’s rate may not be a guaranteed final amount. Check what can cause the rate to change, how the lender will tell you and what happens to your repayments if it rises.

If the rate changes, review the updated repayment information and your budget. A payment that fits comfortably today may become harder to manage later. Fixed-rate credit can offer more certainty about the

rate, but still check the term, fees and any conditions for paying early.

Borrow only what you need

It can be tempting to take a little extra “just in case”, especially if a lender offers more than you asked for. But extra borrowing usually means more interest and potentially a higher monthly payment. Before agreeing, work out the actual bill or expense and borrow no more than you need to cover it.

Try making a simple monthly budget first. Set out your income, essential bills, existing debt payments and everyday costs. Then see what is left for a new repayment, while keeping room for irregular expenses. If the payment only fits by leaving no breathing space, the borrowing may be too much for your circumstances.

Check the repayment schedule against your pay dates and other bills. A monthly payment is not affordable just because it looks small on an advert; it has to fit alongside the rest of your commitments for the whole term.

Alternatives to credit

Before borrowing, consider whether there is a lower-cost way to handle the expense. The right option depends on what the money is for and how soon it is needed.

- **Ask about a payment plan.** A supplier, landlord or service provider may agree to spread a bill, though you should check whether interest or fees apply.
- **Check for support.** Depending on your situation, you may be entitled to benefits, grants, local support or help from a relevant charity.
- **Use savings if appropriate.** Compare the cost of using savings with the cost of borrowing, while keeping enough for essential emergencies.
- **Delay or reduce the purchase.** If it is not urgent, saving towards it could avoid interest and fees altogether.
- **Talk to the creditor early.** If you are struggling with an existing bill or debt, contact the organisation and ask what support is available. Free, independent debt advice can also help you look at your options.

Be cautious about replacing one debt with another. A new loan may reduce a monthly payment but cost more overall, especially if it extends the repayment period or adds fees.

How to compare an offer before you sign

1. **Confirm the amount advanced.** Is this the amount borrowed, and how much will actually reach you?
2. **Check the total repayable.** What is the total under the stated assumptions, and which fees are included?
3. **Read the repayment schedule.** Note each payment amount, its due date, the number of payments and any different final payment.
4. **Look at the APR and rate type.** Is the rate fixed or variable? What could make it change?
5. **Ask about extra charges.** Check missed-payment, early-repayment and other relevant fees.
6. **Test the monthly figure against your budget.** Would it still be manageable if your household costs rose or your income changed?

If anything is unclear, ask the lender to explain it in writing before you agree. Do not rely only on an advert or a verbal summary. The agreement and pre-contract information are where you can check the details that matter.

The bottom line

The **amount advanced** is the credit provided; the **total repayable** is what you are scheduled to pay back, including the borrowing and the costs covered by the agreement's calculation. The difference is supanet a useful measure of the cost of borrowing, but check for fees that may sit outside the quoted total and for changes that could arise with a variable rate.

Compare APR, monthly payment and total repayable together, and read the repayment schedule. Most importantly, borrow only what you need and make sure the monthly payment fits your budget for the full term. If it does not, explore alternatives before committing.