

# What does it mean to pay?

To pay is to give in return for something.

Payment can be in the form of money, goods, work or time. Many years ago, before money had been invented, people exchanged goods. For example, some grain for a fish or cocoa beans for a chicken. Now most payments are in the form of money.

## Ways to pay

There are currently many ways to pay for goods and services, for example cash, cards or digitally.



### Bartering

You can try offering to wash someone's car in return for them fixing your bike. Or offer a friend a bar of chocolate for doing your maths homework – maybe not!

### Cash

**Coins** and **notes** are a quick and easy way to pay for everyday items. You must have enough money to buy the items, so you cannot overspend.



9000 BC



Bartering

1200 BC



Shells

1000 BC



Coins

700 AD



Paper Money

1946 AD



Plastic Credit Card

1990 AD



Paypal

1999 AD



Mobile Banking

2008 AD



Contactless

2009 AD



Bitcoin

### Card

You can use a plastic card to withdraw money or to pay for items.

With a **debit card**, money is taken immediately from the bank account for the payment or cash withdrawal. Similar to cash, you must have enough money in your account to pay for the items. This means you cannot overspend. For under 18s, there is often a limit on the amount you can spend or withdraw in one day such as a £100 per day spending limit.

You must be 18 years old or over to have a **credit card**. They allow you to borrow money, which is paid directly to the retailer. This can be useful, but you need to pay back the amount borrowed and this can mount up. Interest is added and there is a charge for late payments.



### Bank

Banks offer various payment options.

You can:

- use **electronic transfer** to move money from your account directly into someone else's account;
- arrange a **standing order** for fixed amounts or a **direct debit** for variable amounts to pay regular fees such as monthly sports fees; or
- write a paper **cheque** to pay for some items, although many retailers no longer accept these.



### Digital

There are many ways to pay for goods digitally. For example, **Paypal** is a secure way to pay online.

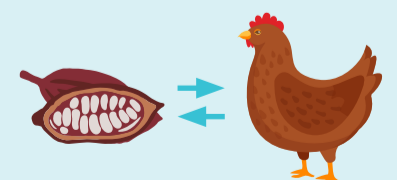
You can use:

- a smartphone to pay if you have an **app** or **contactless mobile**;
- **biometric payments** using finger scanning technology or facial recognition; or
- **cryptocurrency**, such as **Bitcoin**, a digital currency for online transactions.



### Did you know...

Money grew on trees for the Aztecs. They used cocoa beans as currency.



## Level 4

Know different ways in which payments for goods can be made.