Usually, borrowing £1,000 for a £650 repair is worth questioning. You would receive £350 more than the bill requires, and that extra money may cost you interest or fees as well as needing to be repaid. A larger loan can make sense in some circumstances, but “it is available” is not the same as “I need it”.

The useful starting point is to compare the cost of borrowing what you need with the cost of borrowing £1,000, then check whether another option could cover the repair. Look beyond the advertised monthly payment: the APR, repayment term, total amount repayable, fees and rate conditions all matter.

Start with the actual shortfall

If the repair quote is £650 and you can pay £0 towards it, your immediate shortfall is £650. If you can put £150 towards the bill without missing rent, council tax, food or other essential payments, the shortfall is £500. That is the amount to compare with potential borrowing, not an automatically rounded-up figure.

Before applying, ask the repairer whether £650 is the final price, whether the work can be staged safely, and whether they offer a payment plan. Get the quote in writing, including any diagnostic, call-out or parts charges. These are fees people forget: the final bill may be higher than the headline repair price.

£650 repair loan example: what does the extra borrowing cost?

Here is an illustration of borrowing £650 versus £1,000 over 12 months at a fixed 24.9% APR, with no arrangement fee and equal monthly repayments. Figures are rounded estimates. Lenders calculate repayments using their own methods, and the actual offer may differ. APR is not always the same as the interest rate used in a simple calculation, particularly where fees are included.



Amount borrowed Estimated monthly repayment Estimated total repaid Estimated cost of borrowing £650 About £61 About £731 About £81 £1,000 About £94 About £1,124 About £124

On these assumptions, borrowing £1,000 rather than £650 means paying about £33 more each month and roughly £393 more in total. Of that difference, £350 is the extra principal you borrowed and about £43 is the

extra borrowing cost. So the phrase “extra £350 interest” would be inaccurate in this example: £350 is the additional amount borrowed, not the interest charged on it.

The exact difference could be much larger or smaller with a different rate, term or fee. A longer term may make the monthly payment look lower, while increasing the total repayable. A shorter term can reduce interest but may leave you with a monthly payment you cannot comfortably manage.

Borrow exact amount, not the amount on offer

If you decide to use credit, borrowing the exact amount you need can help limit both the debt and the temptation to spend spare cash. Ask whether the lender lets you choose a loan amount of £650, or whether there is a minimum loan size. Check that the amount you receive after any upfront fees will still cover the bill.

Borrowing more “just in case” can be expensive. If the repair costs £650 but you take £1,000, you may pay interest on the extra £350 for the life of the loan, even if you leave it in your current account. If the quote changes, ask the repairer for the revised price and compare your options before increasing the borrowing.

There are exceptions. A loan may have a minimum amount, or taking a slightly larger loan could have a lower rate than a smaller one. But do not assume that means it is cheaper overall. Compare the total repayable for the actual amount you need, and check whether you can repay early without a charge. A lower APR on a larger loan does not automatically make the extra borrowing worthwhile.

APR, monthly payment and total repayable: check all three

APR

APR is a standard way to compare the annual cost of credit, and can include certain compulsory charges. It is useful, but it does not tell you exactly what you will pay each month or in total. The rate advertised may be a representative APR: the lender must offer that rate to a specified proportion of successful applicants, but you could be offered a different rate supanet.com after an affordability and credit check.

Monthly payment

The monthly payment tells you how much must leave your budget on the due date. Turn it into a simple check: could you afford that amount every month for the full term while still covering essential bills and allowing for normal changes in costs? A payment that fits only if nothing goes wrong may be too high.

Total repayable

The total repayable is the figure that shows what the borrowing costs over the whole agreement. Compare it with the amount you receive. If you borrow £650 and repay £731, the estimated cost of credit is £81. If a £1,000 loan has a total repayable of £1,124, its estimated cost is £124. Use the figures in your actual agreement, not a generic example.

Check fees, charges and variable rates

Fees can change the comparison. Before signing, look for:

- Arrangement, administration or broker fees, and whether they are added to the loan or taken from the money paid to you.

- Late-payment charges, and the consequences of missing or making a reduced payment.
- Early-repayment charges or conditions if you want to clear the debt sooner.
- Fees for changing a payment date or making certain types of extra payment.
- Any charges from the repairer, such as a call-out fee or a fee for cancelling booked work.

Some borrowing has a variable rate. If the rate can rise, your payment, the total cost, or both may increase depending on the agreement. Ask what can trigger a change and whether the lender will give notice. If you are comparing offers, look at the agreement's explanation of variable rates rather than relying only on a headline APR.

A credit card can also have different costs for purchases, cash withdrawals and promotional offers. Check when an introductory rate ends, what rate applies afterwards and whether a balance transfer or cash advance fee applies. Avoid taking cash out on a credit card to pay a repairer without checking the cost first.



Alternatives to credit for a £650 repair

Before taking a loan, see whether you can reduce or spread the cost without expensive borrowing. Possible options include:

- **Ask about a repairer's payment plan.** Find out whether there is interest, a setup fee, a deposit or a missed-payment charge, and get the terms in writing.
- **Use available savings, if appropriate.** Keep enough aside for essential bills and near-term costs. Avoid leaving yourself short for an emergency just to avoid all borrowing.
- **Ask whether the work can be staged.** Only do this if the repairer confirms it is safe and will not create a bigger problem or cost later.
- **Check for help you may be entitled to.** Depending on your circumstances and the type of repair, a local council, landlord, insurer or relevant support organisation may be able to advise. Check eligibility and any excess or conditions.
- **Compare a lower-cost credit option.** For example, a credit union may offer a loan, but eligibility, rates and terms vary. Compare the actual total repayable and payment schedule.

- **Ask someone you trust only if the arrangement is clear.** Agree the amount and repayment dates upfront, and consider how non-payment could affect the relationship.

Do not assume that a “pay later” option is free simply because it has no interest during an introductory period. Check the payment dates, what happens if you miss one, and whether deferred interest or other charges could apply. Do not take an advance or short-term loan under pressure just because a provider says you must act immediately. Pause and check the total cost.

Would the £1,000 loan fit your budget?

Write down your regular income and essential outgoings, then check what would be left after the repayment. Include less frequent costs too, such as car tax, school expenses or annual insurance. A simple monthly budget can reveal whether a £61 payment is manageable, or whether even that amount would force you to borrow again for everyday spending.

If you already have arrears, are juggling several repayments or would need to miss another bill to make the loan payment, speak to a free, independent debt-advice service before borrowing. A loan can solve an immediate repair problem but make an existing budget shortfall harder to manage.

A quick decision checklist

1. Confirm the repair price and ask about possible extra charges.
2. Work out your real shortfall after any safe contribution from savings or another source.
3. Ask whether the repairer offers a clear, affordable payment plan.
4. Compare borrowing the exact shortfall with borrowing £1,000.
5. Check the APR, monthly payment, total repayable, fees and whether the rate can change.
6. Make sure the payment remains affordable across the full term, not just this month.
7. Read the agreement and take time to decide; do not borrow under pressure.

So, is borrowing £1,000 smart for a £650 repair?

It may be justified if the lender’s terms genuinely make the larger loan cheaper overall, the minimum borrowing amount is £1,000, or you have a clear and affordable reason to cover another necessary cost. But if the repair is £650 and there is no other need, borrowing £1,000 means taking on £350 more debt than the bill calls for.

Compare the monthly payment and total repayable for both amounts, then include fees and any rate changes in your decision. If credit is the right option, borrowing the exact amount you need is often the simpler way to keep the debt—and its cost—under control.