

THE MONEY METHOD

Money Leaks Identification Guide

Spot the hidden spending that's draining your wealth

What is a Money Leak?

A money leak is spending that happens almost unconsciously. They are small amounts that slip through without you noticing. Individually, they seem harmless. But over a month or year, they add up to hundreds or thousands of pounds that could be going toward your financial goals.

The 12 Most Common Money Leaks

1. FORGOTTEN SUBSCRIPTIONS

Typical cost: £10-50/month (£120-600/year)

Apps you downloaded "just to try," streaming services you signed up for during lockdown, gym memberships you haven't used since January. These recurring charges silently drain your account every month.

Fix it: Go through your bank statement line by line. Cancel anything you haven't used in 30 days.

2. THE DAILY COFFEE HABIT

Typical cost: £60-120/month (£720-1,440/year)

That £3.50 coffee doesn't feel like much. But 5 days a week for a year? That's £910. Add a pastry and you're looking at over £1,500/year.

Fix it: Make coffee at home for 4 days, treat yourself 1 day. Savings: £700+/year.

3. CONVENIENCE SPENDING

Typical cost: £100-250/month (£1,200-3,000/year)

Uber Eats because you're tired. Uber instead of the bus. Tesco Express instead of Tesco Extra. Corner shop for "just one thing." These convenience premiums add 20-50% to what you'd pay with a bit of planning.

Fix it: Meal prep on Sundays. Do one big weekly shop. Keep a running list instead of impulse corner shop trips.

4. UNUSED GYM MEMBERSHIP

Typical cost: £30-80/month (£360-960/year)

The average gym member goes 4.5 times per month but pays for unlimited access. If you're paying £50/month and going twice, that's £25 per visit. You could drop-in for less.

Fix it: Track your gym visits for a month. If fewer than 8, consider pay-as-you-go, a cheaper gym, or home workouts.

5. IMPULSE ONLINE SHOPPING

Typical cost: £50-200/month (£600-2,400/year)

Late-night Amazon browsing. "Add to basket" on Instagram ads. Sale items you didn't need but "couldn't pass up." Items sitting unopened in their packaging.

Fix it: Delete shopping apps. Use a 48-hour rule before purchasing. Unsubscribe from marketing emails.

6. BANK FEES & OVERDRAFT CHARGES

Typical cost: £20-100/month (£240-1,200/year)

Overdraft interest, unarranged overdraft fees, foreign transaction fees, ATM charges. Banks make billions from these "small" charges.

Fix it: Set up low balance alerts. Build a buffer in your account. Use fee-free cards abroad.

7. BUYING LUNCH AT WORK

Typical cost: £100-160/month (£1,200-1,920/year)

A Pret sandwich, crisps and drink easily hits £8-10. Do that 4 days a week and you're spending £160/month. Making lunch at home costs £2-3.

Fix it: Batch cook on Sundays. Prep 4-5 lunches in containers. Allow yourself one "treat" lunch per week.

8. FOOD WASTE

Typical cost: £50-70/month (£600-840/year)

The average UK household throws away £700 of food per year. Salad bags that go slimy, bread that goes stale, leftovers that get forgotten. It's money straight in the bin.

Fix it: Meal plan before shopping. Check what you have first. Freeze bread and leftovers. Use the "Too Good To Go" app.

9. INSURANCE LOYALTY PENALTY

Typical cost: £100-300/year

Auto-renewing your car or home insurance without comparing? You're likely paying 10-30% more than new customers. Insurers reward loyalty with higher prices, not lower.

Fix it: Set a calendar reminder 3 weeks before renewal. Compare on Compare the Market, GoCompare, or MoneySupermarket. Switch or negotiate.

10. BRAND-NAME SHOPPING

Typical cost: £50-100/month (£600-1,200/year)

Branded products cost 30-50% more than supermarket own-brands, often made in the same factories. Branded painkillers, cleaning products, and staples are rarely worth the premium.

Fix it: Try own-brand versions of 5 products this week. Keep buying the ones you like. You'll barely notice the difference.

11. NOT USING CASHBACK & VOUCHERS

Typical cost: £150-400/year in missed savings

Paying full price when cashback is available. Not scanning your loyalty card. Ignoring voucher codes. Missing student/NHS discounts. It's free money left on the table.

Fix it: Install TopCashback browser extension. Always Google "[store name] discount code" before checkout. Download Airtime Rewards.

12. LIFESTYLE CREEP

Cost: The difference between your old and new spending

Every pay rise gets absorbed by "upgrades", nicer flat, better car, fancier restaurants. You earn more but save the same (or less).

Fix it: When you get a raise, increase your savings rate by at least 50% of the raise before lifestyle inflates.

THE BOTTOM LINE

Small leaks sink big ships.

Plugging even 4-5 money leaks could free up £300-600/month that's £3,600-7,200/year that could be going toward your investment portfolio.