

Information Sheet



9. Where and how to get Debt Advice

First do not panic but do not ignore your debts either; the problems will not go away on their own. Do not ignore contacts from your Creditors (the people that you owe money to). Explain that you are having problems and are going to try and get help.

If you do not think that you owe the money, then seek advice first but sometimes debts are collected by companies other than the one that the original debt was with.



Organise

The first thing to do is to collect all the information about your debts. If any are from a court or look important you may need to act quickly.

Try to get the most recent statement for each debt and try to make sure that for each Creditor you know:

1. Their name and address
2. The amount you owe
3. Any account or reference number that they have used
4. What you should be paying them

Prioritise

The debts to deal with first are called the Priority Debts; these are the ones that will have the most serious consequences if you do not pay them.

Priority Debts

These include:

- Mortgage or Rent Arrears – As you could lose your home
- Fuel Arrears – As your supply could be cut off
- TV Licence – As it is a criminal offence to use a TV without one and there are large fines
- Council Tax Arrears
- Court Fines
- Arrears of Child Maintenance Payment.

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If the last three are not paid, bailiffs can be sent to take your possessions. You could even be sent to prison or made bankrupt.

Non- Priority Debts

Consumer debts such as credit cards, loans, hire purchase, overdrafts are the most common of these but there are also such debts as benefit overpayments, student loans and money borrowed from family or friends.

These creditors can still take you to court if you do not pay, but if you make an agreement with them this might not happen. They cannot send bailiffs until the court permits them to.

Getting Help & Advice

If you feel able to do so and have some money available, you can make offers of repayment to the Creditors yourself. Some people use a debt management company to do this for them; many charge but some are free (see below).

Some companies offer to put all your debts together as a single loan which is called consolidation but this can prove more expensive, so get advice before you do this.

You can get help from:

Citizens Advice Bureau - Their advice is free, independent, impartial and confidential and they will give advice on your debt problems and may refer you on for further help.

Telephone: 0344 411 1444

National Debtline - Gives free information to people with debt problems.

Telephone: 0808 808 4000

Website: www.nationaldebtline.co.uk

StepChange Debt Charity- A charity offering free and confidential advice to people worried about debt. Their website also has a tool for calculating your individual debt remedy.

Telephone: 0800 138 1111

Mon-Fri 8am-8pm, Sat 8am-4pm

Website: www.stepchange.org

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Payplan - An independent debt management company offering free debt advice and help to reach solutions. They can help you to consider the best solution to your financial problems and if appropriate can approach creditors and distribute repayments.

Telephone: 0800 280 2816

Website: www.payplan.com

Money Advice Service- Free and impartial money advice. Advice and guides to help improve your finances. Tools and calculators to help you keep track and plan ahead. Support in person, over the phone and online. They also provide a webchat facility which can be used by visiting the website on the specified operating times below.

Telephone: 0800 138 7777

Monday to Friday, 8am to 6pm

Saturday, 9am to 1pm

Sunday and Bank Holidays, closed

Website: www.moneyadviceservice.org.uk