



Dealing with Debt

HS02 Dealing with debt
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How to deal with debt

Do not ignore your debts - The longer you leave them, the worse they will get. If you have a mortgage or rent arrears, your home could be at risk, if you do not make the necessary payments.

Prioritise your debts – Make a list in order of priority and pay off the most important first. For more information, see 'Prioritising Your Debts' section of this leaflet overleaf.

Contact your creditors – A creditor is a person or a business that you owe money to. This could be through a number of ways including: borrowing, taxation, having received a service or goods or having incurred a fine. You should always contact your creditors immediately to inform them of your situation. They are more likely to be helpful if you maintain contact.

Avoid borrowing more – Although it may seem like the solution, all it really means is that you get into more debt. Organisations only lend money to gain financially.

Get help – There are a number of organisations that can offer help, including your local Citizens Advice Bureau. Contact details for these organisations are given at the end of this leaflet. Some of these organisations can provide debt advice and can liaise with your creditors to organise repayment plans. They will be able to provide you with options you may not have thought of.

Do not ignore court papers – Courts are there for your benefit too, and usually understand personal debts. Most judgments are issued by default (without a hearing) because the debtor has not responded.

Be realistic – When negotiating a debt, make arrangements that are affordable. There is no point in agreeing to a payment that you will not be able to keep to on a regular basis.

Keep a record – When dealing with creditors, ensure that you keep a record of all verbal and written communication, including the names and contact details of everyone you deal with.

Disclose all information – Always declare all debts. Do not underestimate or exaggerate your expenses.

Prioritising your debts

There are different types of creditors who can recover their money in different ways. It is important to be aware of the differences when prioritising your debts. Priority creditors have more legal power to recover their debt and the consequences of not paying them can be very serious. You should never ignore priority creditors and you should always pay them first. Once you have made arrangements to clear the priority debts, you can then pay the secondary (lower) creditors.

Priority creditors

Creditor	Possible action for debt recovery
Mortgage or rent	Repossession / Eviction
Secured loan. This is a loan where you have pledged an asset (e.g. car) as collateral for the loan	Repossession – the asset that you have pledged can be removed from your possession in lieu of the debt
Income Tax, National Insurance, VAT	Seizure of your goods / bankruptcy
Council Tax	Seizure of your goods / imprisonment
TV licence	Fine / Seizure of goods / imprisonment
Water Rates	Disconnection
Gas / Electricity	Disconnection
Court Fines	Seizure of goods / imprisonment
Hire Purchase (essential items)	Repossession of goods
Maintenance & child support payments	Seizure of your goods
Penalty fines such as parking	Seizure of your goods

Secondary (lower) priority creditors

Secondary creditors have less power to recover debts, but they should still not be ignored.

- unsecured loans
- credit cards
- unnecessary hire purchase agreements
- store cards
- catalogue & mail order purchases
- bank overdrafts
- mobile phone account
- loans on a house or car that has already been repossessed

Debt and your housing

Being in debt can have a very serious impact on your housing situation. If you are concerned about how your debts may affect your housing situation, please contact the Duty Engagement and Support Officer in the Housing Service on telephone number **01252 774420**.

Income and expenditure

When you contact your creditors to negotiate a re-payment plan, they will want to know all about your income and expenditure. Use these forms to help you record your income and expenditure and work this information out. It is also helpful to have this available if you go to any of the other debt advice agencies.

INCOME (£)	WEEKLY	MONTHLY
Wages	£	£
Income Support	£	£
JSA	£	£
PIP	£	£
Incapacity benefit	£	£
Working Tax credit	£	£
Child Tax credit	£	£
Maternity Allowance	£	£
SSP	£	£
Child benefit	£	£
Housing benefit	£	£
Council Tax benefit	£	£
Youth/employment training	£	£
Student Loan/Grant	£	£
Fostering/adoption allowance	£	£
Hardship payments	£	£
Pension	£	£
Child Maintenance	£	£
Interest from savings	£	£
Rent from lodgers/other property	£	£
Other	£	£
Other	£	£
Other	£	£
TOTAL INCOME	£	£

EXPENDITURE (£)	WEEKLY	MONTHLY
Rent / Mortgage	£	£
Gas	£	£
Electricity	£	£
Other fuel	£	£
Water	£	£
Council Tax	£	£
Telephone	£	£
TV Licence/cable/satellite	£	£
Car Tax/MOT/Insurance/fuel	£	£
Childcare	£	£
Food	£	£
Travel	£	£
Clothing	£	£
Maintenance payments	£	£
Medicines	£	£
Savings	£	£
Pensions	£	£
Alcohol/cigarettes/social	£	£
Catalogues/hire purchase	£	£
Bank loans/ Credit cards	£	£
Other	£	£
TOTAL EXPENDITURE	£	£

Useful contacts

Organisation	Contact details
Money Advice and Law Centres The website can help you find your nearest law centre.	www.lawcentres.org.uk
Ministry of Justice The website can help you find a legal adviser.	www.gov.uk/find-a-legal-adviser
National Debtline The National Debtline can give free information to people living in England and Wales. It also provides an information pack on dealing with debt. The line is available on Monday to Friday 9.00am to 9.00pm and on Saturday 9.30am to 1.00pm.	0808 808 4000 www.nationaldebtline.org
Civic Legal Advice Civic Legal Advice has a telephone helpline which offers advice to people in debt who are on a low income or on benefits. Help is also available on a number of other topics including housing, family, welfare benefits (Upper Tribunal appeals and above), discrimination and education. The helpline is open from 9.00am to 8.00pm Monday to Friday and 9.00am to 12.30pm Saturday. Outside of these hours, you can leave a message and they will call you back the next working day.	0345 345 4 345

StepChange Debt Charity StepChange Debt Charity is a registered charity offering free, confidential advice and support to anyone who is worried about debt. There is a freephone helpline where you can speak to a Debt Counsellor. The website offers information on how to deal with your debt. It also offers an online Debt Remedy Tool, which asks you a series of questions about your household, income and expenditure and then provides you with a Debt Remedy tailored to your personal circumstances.	0800 138 1111 www.stepchange.org
Payplan Payplan is an independent company offering free debt advice and solutions to clients, such as debt management plans (DMPs). When you contact Payplan, an adviser will look at your financial situation and help you decide the best option to sort out your debts. If a repayment option is appropriate, they can help you approach your creditors with a repayment plan and distribute repayments on your behalf until the debts are repaid.	0808 250 4545 www.payplan.com
Business Debtline In England and Wales, Business Debtline is a dedicated advice services for small businesses.	0800 197 6026 www.businessdebtline.org
Citizens Advice Bureau There are 3 offices local to Hart: Fleet - Civic Offices, Harlington Way, Fleet, GU51 4AE Farnborough - Elles Hall, Meuden Avenue, Farnborough, GU14 7LE Yateley - Royal Oak Close, Yateley, GU46 7UD	03444 111306 www.citizensadvice.org.uk

Contact details

Address: Hart District Council,
Civic Offices, Harlington Way,
Fleet, Hampshire,
GU51 4AE

Tel: 01252 774420

Email: housing@hart.gov.uk

Web: www.hart.gov.uk

Facebook: [/HartDistrictCouncil](https://www.facebook.com/HartDistrictCouncil)

Twitter: [@HartCouncil](https://twitter.com/HartCouncil)

Instagram: [@HartCouncil](https://www.instagram.com/HartCouncil)

All Housing Advice Leaflets are available via our website at
www.hart.gov.uk/housing