



## DEBT ADVICE

## SELF HELP PACK

Deltic House, West Strand, Preston, PR1 8UY.  
TELEPHONE : 0800 953 0213

# Poppy Support

Almost 10.5 million people are eligible for Poppy Support from the Royal British Legion.

If you or your partner/husband/wife have served or are currently serving in the armed forces then you may be eligible for help.

Poppy funds can assist ex-service men and women or their spouses with financial help in paying priority debts.

There are a number of other ways Poppy Support can help.

If you think you may qualify for help from the Royal British Legion contact Carron Mayoh at Community Gateway Association, an authorised agent for the Royal British Legion Poppy Support

**Tel : 0800 953 0213**  
**(press option for rents)**

# Extra Help with Paying Debts

There are some agencies who assist people with money problems by way of Grants. Grants are not loans and do not need to be paid back.

Below are a some agencies who may be able to help you. Contact your Rent Recovery Officer or Welfare Benefit Adviser for an application form. If you prefer you can get a form direct from the agency.

**United Utilities Trust Fund** – This is an independent charity and is not part of United Utilities. It helps people in need by providing grants to :

- Clear or reduce water and/or sewerage debt
- Relieve stress caused by money problems/debt

Your water supply must be provided by United Utilities – **Tel : 0845 179 1791**

**The British Gas Energy Trust** – set up to help those in need with gas and electricity debt

Only current domestic customer of British Gas or Scottish Gas can apply for this grant – **Tel : 01733 421060**

It helps people in need by providing grants to

- Reduce or clear arrears of gas and/or electricity debt
- Help with other essential household bills or costs

**EDF Energy Trust** – set up to help those in need with gas and electricity debt

Only current domestic customers of EDF Energy can apply for this grant – **Tel : 01733 421060**

It helps people in need by providing grants to

- Reduce or clear arrears of gas and/or electricity debt
- Help with other essential household bills or costs

# **MAXIMISING YOUR INCOME IS ESSENTIAL WHEN YOU ARE IN DEBT**

**Are you receiving all the welfare benefits  
you are able to claim.**

**Do you want to make sure you are not  
missing out?**

**With over £14 billion of benefits going  
unclaimed each year contact CGA's  
Welfare Benefit Adviser for a free benefit  
health check**

**A five minute chat may lead to you getting  
more money which would help you pay off  
your debts**

**Our Welfare Benefit Adviser can tell you  
about benefits you may be able to claim  
and help you complete the benefit forms**

**TELEPHONE : 0800 953 0213**



Developing neighbourhoods in Preston

## GUIDANCE NOTES

First decide who are your priority and non-priority creditors. The priority of the debt is decided by what would happen if you did not pay. Below are some examples

### **PRIORITY CREDITORS :**

Mortgage Company/Secured Loan  
Landlord (for rent)  
Council Tax  
Fuel Companies for Gas/Electric  
Magistrates Court Fines  
Income Tax and VAT  
Some Hire Purchase Agreements  
TV License

### **WHAT CAN HAPPEN :**

Court proceedings = more debt  
Repossession or eviction  
Court proceedings = more debt  
Repossession or eviction  
Bailiff action/imprisonment  
Disconnection  
Warrant for arrest/imprisonment  
Bailiff action/bankruptcy/imprisonment  
Repossession of Goods  
Fine/Warrant for arrest/imprisonment

If you are struggling to pay these debts immediate contact should be made with your priority creditors. If it is not possible to make an agreement at this time write to them to ask for more time eg 14/28 days. Ask the creditor not to take any further action against you during this time. During this time you should try to ensure that you are making the current payments due.

### **NON-PRIORITY CREDITORS**

Unsecured Loans  
Catalogues  
Door step collectors (i.e. Provident, Greenwoods)  
Credit Cards  
Bank overdrafts

Non-priority debts are those where non-payment will not lead to the loss of your home, liberty, essential goods or services.

These creditors are only paid if you have any income left after payment of your priority outgoings/debts.

**Stop using your Credit Cards – cut them up and send them back**

**IF YOU NEED HELP OR ADVICE**

**CALL THE RENT RECOVERY TEAM ON 0800 953 0213**

## Preparing your Financial Statement

A financial statement is a document which can be sent to the people you owe money (your Creditors) to give them a clear picture of what your income and expenditure is. The statement should include all the money you/your partner receive and pay out. This should also include any board which may be paid by other people living in your home.

Use the enclosed financial statement to list all the money you have coming in each week or month and all your essential outgoings. (CGA1)

As a guide you should allow £25.00 per person per week for housekeeping.

**Do not include any payments to non-priority creditors (eg catalogues, credit cards) in the essential outgoings.**

Work out what you have coming in and what you are paying out. If you have any money left over you should pay most of it to your priority creditors. You should write to them and put forward a reasonable offer to pay your debt to them. (see below)

If you have little left over after payment of your priority debts then token offers of payment should be made to all non priority creditors. A token offer of payment would be in the region of £1.00 per week/month.

**IF YOU NEED HELP OR ADVICE  
CALL THE RENT RECOVERY TEAM ON 0800 953 0213**

## Writing to Creditors

It is important to try to make an agreement with your priority creditors to avoid further action being taken against you. The amount you offer to pay them must be reasonable bearing in mind how much money you have left after essential outgoings (eg if you have £100 per week available income and you owe £1000 rent arrears – it would not be reasonable to offer £3.00 per week to your Landlord - £30/£50 per week would be a more reasonable amount depending on what other priority debts you have)

Put forward any offer of payment to your creditors in a letter and send with it a copy of your financial statement (CGA2).

Token offers of payment to non-priority creditors should also be put forward by way of letter (CGA3)

Ask your Creditors to let you have a payment book to help you make weekly/monthly payments and to keep track of the payments you have made. If this is not possible make sure you keep a record of all payments made. Keep any receipts.

Ask your Creditors to consider freezing any interest which they may be adding to your debt. They do not have a legal obligation to do this but some will – it is always worth asking for.

Creditors will often accept reduced payments for a set period of time (usually 6/12 months). Make a note of this date. As the date approaches if your financial circumstances have not changed write to your Creditors and tell them there has been no change and ask that they continue to accept the previously agreed payments. If your income/expenditure has changed prepare a new financial statement and send this to them with a request that they accept any new offer of repayment.

In extreme cases of financial hardship, where there is no possibility of you being able to repay your debt to non-priority creditors you may suggest they write off the debt (CGA4). **Please note if this happens some creditors report this to credit reference agencies and it can be difficult for you to get credit in the future.**

**IF YOU NEED HELP OR ADVICE  
CALL THE RENT RECOVERY TEAM ON 0800 953 0213**

**INCOME AND EXPENDITURE STATEMENT**

NAME :  
ADDRESS :

Number of Adults in Household	
Number of Children in Household	
<b>INCOME</b>	
Wages - You	£
Wages - Partner	£
Income Support/JSA	£
Incapacity Benefit	£
Child/Working Tax Credits	£
Other Income	£
<b>TOTAL INCOME</b>	<b>(a) £</b>

**EXPENDITURE**

Rent/Mortgage	£
Gas	£
Electric	£
Water	£
Council Tax	£
TV Licence	£
Housekeeping (including laundry)	£
Telephone	£
Clothes/shoes	£
Travel Expenses – bus fares/car running expenses	£
Maintenance/Child support	£
Prescriptions/Dental Charges	£
Fines	£
Household Insurance/Life Insurance	£
<b>TOTAL</b>	<b>(b) £</b>

**(a) – (b) = (c) available income to offer to priority creditors**

**AVAILABLE INCOME = (c) £**

<b>PRIORITY DEBTS</b>	<b>ARREARS</b>	<b>OFFER</b>
RENT/MORTGAGE	£	£
GAS	£	£
ELECTRIC	£	£
COUNCIL TAX	£	£
OTHER	£	£
<b>TOTAL</b>	<b>£</b>	<b>£ (d)</b>

**(c) – (d) = excess income to offer to non-priority creditors**

**Available income = (d) - £**

<b>NON- PRIORITY DEBTS</b>	<b>ARREARS</b>	<b>OFFER</b>
Catalogue (1)	£	£
Catalogue (2)	£	£
Catalogue (3)	£	£
Doorstep collector (1)	£	£
Doorstep collector (2)	£	£
Credit Card (1)	£	£
Credit Card (2)	£	£
Unsecured Loans	£	£
Bank overdraft	£	£
Other	£	£
<b>TOTAL</b>	<b>£</b>	<b>£</b>

*Your name and address*

*Creditors name and address*

Dear Sirs

*Re : Account no./Reference*  
*Amount outstanding (if known) £*

I refer to the above account and would ask you to note that I am currently experiencing severe financial difficulties. As a result I am unable to maintain normal payments to you.

*(You may wish to tell your Creditors why your income has reduced – ie loss of job/illness, relationship breakdown etc)*

Please find enclosed a financial statement I have prepared showing my weekly/monthly income and expenditure. As you will see there is little available income to offer to my creditors.

I am anxious to reach payment arrangements with all my creditors and it would help me greatly if you would freeze any interest or charges being added to my liability to yourselves and accept the offer of payment as detailed on the enclosed financial statement.

If my offer of repayment is acceptable to you I would request that you supply me with a paying in book to assist with maintaining regular payments.

Should my circumstances change I confirm I will contact you with a view to increasing my weekly/monthly payments.

I look forward to hearing from you as soon as possible.

Yours faithfully

*(your signature)*

*Your name and address*

*Creditors name and address*

Dear Sirs

*Re : Account no./Reference  
Amount outstanding (if known) £*

I refer to the above account and would ask you to note that I am currently experiencing financial difficulties. As a result I am unable to maintain normal payments to you.

*(You may wish to tell your Creditors why your income has reduced – ie loss of job/illness, relationship breakdown etc)*

Please find enclosed a financial statement I have prepared showing my weekly/monthly income and expenditure. As you will see there is little available income to offer to my creditors.

Given the severity of my financial position I would be grateful if you would freeze any interest accruing to my account and accept the token offer of payment as detailed within the enclosed financial statement.

If this offer is acceptable I would appreciate it if you could supply me with a payment book to maintain regular payments.

Should my circumstances change I confirm I will contact you with a view to increasing my weekly/monthly payments.

I look forward to hearing from you as soon as possible.

Yours faithfully

*(your signature)*

*Your name and address*

*Creditors name and address*

Dear Sirs

*Re : Account no./Reference  
Amount outstanding (if known) £*

I refer to the above account and would ask you to note that I am currently experiencing severe financial difficulties. As a result I am unable to maintain normal payments to you.

*(You may wish to tell your Creditors why your income has reduced – ie loss of job/illness, relationship breakdown etc)*

Please find enclosed a financial statement I have prepared showing my weekly/monthly income and expenditure. As you will see there is little no available income to offer to non priority creditors.

I do not anticipate my financial position to improve in the foreseeable future and therefore I would ask that consideration be given to writing off this liability.

I look forward to hearing from you as soon as possible.

Yours faithfully

*(your signature)*



## **CLAIMING BACK BANK CHARGES**

**If you have incurred bank charges in the last 6 years contact us as you may be able to get some or all of the charges you have paid back**

**TEL : 0800 953 0213**  
**(PRESS OPTION 3 FOR RENTS)**