

## Dealing with Debt

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Facing up to debt can be a tough process. But there is lots of free, confidential help and advice available. There are various options available to solve money worries, not just paying a debt management company.

### Making a plan

Set aside time to go through your finances and assess your situation. You need to:

- **Make a list of all of your debts** and then divide these into priority or non-priority debts. Priority debts include mortgage repayments, rent, council tax and utility bills. You then need to contact your creditors to let them know that you're having difficulties and to see if you can come to an arrangement.
- **Sort out your finances** - you can get independent advice to help you find the best way to deal with your debt problem.
- **Contact your local authority** if you're having difficulty paying your Council Tax and make sure you claim Council Tax Relief (CTR) if you've returned from deployment.
- **Speak to your lender if you're getting behind with your mortgage** - they must follow a set of conditions called a 'pre-action protocol' to help you keep your home.

### Work out a personal budget

Create a weekly or monthly budget to see what your income and expenses are. It will help you get rid of unnecessary expenses.

Use the **Money Force Budget planner** to help you. Or get free and independent advice from organisations like **The Royal British Legion**, **Citizens Advice** and the **National Debtline**. There are also self-help packs and online tools you can use.

### Talk to creditors

Once you know what you can afford to repay, talk to your creditors about your situation and what you're going to do about it. A debt adviser can do this for you, and some will do this free.

Be realistic about what you can afford to repay and don't assume you'll be able to pay back more in the future. It's important to follow up a phone call with a letter confirming what has been agreed.

### Seek help

Organisations offering free debt advice can help you prioritise your debts and help you negotiate with your creditors.

They can help you decide which options may be suitable for you, for example: Bankruptcy, Individual Voluntary arrangement, Debt Management Plan, Administration order or a Debt Relief Order. These options take into account your debts, income and capacity to repay your debts.

### CASHflow – A recognised way to negotiate with creditors

CASHflow is a free advice process to help you negotiate with your creditors. Using CASHflow shows that you have taken advice about your debts and worked out your repayments in a fair way. This can make it more likely that your offers are accepted.

In order to access CASHflow you need to speak to one of the free advice organisations that use it, which include National Debtline, many Citizens Advice Bureau's and local advice agencies.

## Dealing with loan sharks

**There are many risks attached to borrowing from a loan shark:**

- You might be harassed or threatened if you get behind with your repayments.
- You might be pressured into borrowing more money to repay one loan with another, and end up in a spiral of debt that you can never repay.

## Reporting a loan shark

If you have borrowed money from a loan shark, or someone that you think is a loan shark has approached you, you can report them in confidence to an Illegal Money Lending Team. Report a loan shark online at [stoploansharks.co.uk](http://stoploansharks.co.uk) or email [reportaloanshark@stoploansharks.gov.uk](mailto:reportaloanshark@stoploansharks.gov.uk)

## Gambling debts

Getting into debt can be one of the consequences of a gambling problem. Chasing losses, borrowing, and hoping that the next big win will provide the solution can be part of a repetitive cycle that can lead to severe debt or bankruptcy.

- As a first step, control your gambling in the short term while you're addressing your debt problems.
- Talk to a debt adviser or contact **GamCare** or **Gamblers Anonymous** for information, advice, support and free counselling to help control your gambling.
- Share your problems with someone you trust and who could support you.
- Ask someone you trust to look after your bank cards for a period of time.
- If necessary, cut up your credit cards.

Call the free **GamCare Helpline** on 0808 8020 133 or log on to the [GamCare](http://GamCare) to talk to someone about your feelings, or try [Gamblers Anonymous](http://Gamblers Anonymous) where you can talk to other people experiencing the same problems as you.

## Get MoneyFit

Getting out of debt can be a long and difficult process. However, there are helpful resources and tools that can make it easier. The MoneyForce website offers free advice about debt and the options available to you to help you take control of your debt. It also has a selection of tools, such as the budget planner and MoneyFit Challenge. Making a plan that is right for you is the first step in regaining control of your finances and keeping MoneyFit.

## Who can help?

- **The Royal British Legion** – Phone Contact Centre helpline on **0808 802 8080** or visit <http://support.britishlegion.org.uk>
- **National Debtline** - Phone free on **0808 808 4000** or visit <https://www.nationaldebtline.org>
- **Debt Advice Foundation** – Phone free on **0800 043 40 50** or visit <http://www.debtadvicefoundation.org>
- **Civil Legal Advice** - Phone on **0845 345 4 345** or email [emailhelp@civillegaladvice.org.uk](mailto:emailhelp@civillegaladvice.org.uk)
- **Payplan** - Phone free on **0800 280 2816** or visit <https://www.payplan.com/money-force>