

DEBT MANAGEMENT & SUPPORT

What is a Debt? Debt is the amount of money borrowed by one party, from another. Debt is money borrowed from another party Creditor, for something you cannot afford at the present time.

- Short-term bank loans. These loans often arise when a company sees an immediate need for operating cash.
- Accounts payable. This refers to money owed to suppliers or providers of services.
- Wages. These are payments due to employees.
- Lease payments.
- Income taxes payable.

What is a Non Priority Debt? Non-priority debts are still important and will need paying but the consequences are less severe than priority debts.

Non-priority debts include:

- credit card debts
- hire purchase agreements (HP) for items that are non-essential
- unsecured bank loans (loans that are not secured against your property)
- water bills
- loans from friends and family
- payday loans
- catalogue debts

It is very important to keep up your monthly payments. If you do struggle contact your creditor to sort out an affordable payment plan that suits you.



What are priority Debts? Some debts are called priority debts because the consequences of not paying are serious. Priority debts should be dealt with before your non-priority debts.

Priority debts include:

- mortgage repayments and loans secured on your home.
- rent
- gas and electricity debts
- council tax
- certain payments ordered by the courts.
- Hire Purchase payments if the HP is for a vehicle or goods that are essential.
- Child support or maintenance
- TV licence
- Court fines
- Council parking fines
- Water Bills



There are consequences if you do not pay a priority debt.

- lose your home through mortgage or rent arrears.
- have your gas or electricity supply cut off or must accept an expensive pre-payment meter instead.
- lose belongings on hire purchase such as a car, furniture or other goods.



What is a Bailiff?: Bailiffs are officially called enforcement agents these days but most of us still tend to refer to them as bailiffs. Bailiffs are individuals who are hired to collect debts from you. They have extra-legal powers when they come visit you regarding your debt.

Some bailiffs work for private companies, others are self-employed and some work for your local council. Bailiffs normally collect debts such as County Court Judgments (CCJs), Child maintenance arrears, Council Tax arrears and parking fines.



Can Bailiffs Force Entry?: Bailiffs can forcibly enter your home for certain types of debt. These debts are mainly:

- Unpaid magistrates court fines
- Tax debts such as income tax

If they say they have the right to force entry, ask them to prove it. They will have to show you a warrant or 'writ' from the court along with information about your unpaid magistrates court fines or tax debt. Scan the document to ensure all information is correct. You are legally entitled to see all paper work signed by a judge.



Examples of Items Bailiffs Cannot Take?: Items belonging to someone else, e.g. your roommates, your children, your spouse, etc.

- Pets
- Items that you need in order to make a living or for your studies having a total value of up to £1,350
- A Motability vehicle
- A vehicle with a valid Blue Badge

They also cannot take items that fulfill your basic domestic needs. Things such as washing machines, cookers (White Goods) , mobile phones, beds, Clothing, tables and chairs are all examples of items that bailiffs cannot seize. You are legally allowed to record your encounter for your own safety on your property.

Payment Plans: If the bailiffs come into your home and you can't afford to pay your debt you'll normally have to make a 'controlled goods agreement'. This means you'll agree to a repayment

plan and pay some bailiffs fees. Bailiffs have to give you extra time and support to deal with your debt if you're vulnerable. Ask questions if anything does not feel right.





Recording Your Encounters (Basic Law & Rights): Yes, it is legal to record phone calls in the UK, but there are some restrictions. Under the Regulation of Investigatory Powers Act 2000 (RIPA) it is legal for individuals to tape conversations, provided the recording is for their own use. To sum up, it's not illegal to record a call or even collect data.

Video Recording Debt Collectors: It is your right to feel safe in your own property, If you make a payment agreement with the debt collector and the debt collector fails to live up to its end of the bargain, you can use the recording to enforce the agreement. If the debt collector is violating your rights under the FDCPA, you can use the recording as evidence for a complaint or lawsuit.

Conclusion: Bailiffs have a lot more powers than debt collectors and it's definitely a nerve-wracking experience when you get a visit from one. However, planning is key. You will receive a 7 days notice before they visit you and you can use this time to seek debt advice and plan accordingly so that you are one step ahead of them every time. With the right planning and research, you can avoid being taken advantage of and can lead yourself straight to financial freedom. There are many charity sector organisations that can support you.

Know Your Rights: It is important to know your rights before agreeing to any payment plan, the bailiff has a duty to remain ethical towards you & your situation. Seek advice from a support charity who will offer free advice & even advocate on your behalf.





How to make a budget Sheet: A budget is a list of all the money you receive and all the things you spend money on every month. Creating a budget is the first step towards taking control of your finances and getting your situation back on track. When you put budgeting into practice, it can help you see where your money is going and make sure that you've covered all of the things you need to pay for. You can also spot areas where you can make savings. As most of your household bills and debt payments are made monthly, we suggest that you make all the figures in your budget calendar monthly. If you're looking for a simple way to help you manage your money and track your outgoings, you may find our free budget template useful. It is important to give the correct information to achieve the best result for your situation.

Contacting your creditors: We advise all our service users to contact their creditors via email or written letter, we do this because it leaves a contact trail to use as evidence.

- Plan out a specific budget that suits you.
- Check your credit agreements, Understand your rights.
- Answer the phone when your creditor call, if possible.
- Kindness is key, always remain calm & friendly.
- Only accept a payment plan you can afford before agreeing.

Personal Budget Sheet / Financial Statement

Household Details		Money for Creditors
Name	Joe Bloggs	Total Income
Address	1 Any Street Anytown Anyshire A1 1AA	Total Outgoings
Number of people in my household		Money for Creditors
Adults	1	Priority Debts
Income		Priority Debt
Wages / Salary	Monthly £1530.00	Arrears
Total Income	£1530.00	Royalold Homes Ltd (Rent) £ 650.00
Outgoings		NEDDC (Council Tax) £ 565.00
Rent	Monthly £574.00	Total Priority debts repayment
Council Tax	£90.00	Money For Non-Priority Debts
Food / Housekeeping	£300.00	Money For Creditors
Electricity	£50.00	- Total Priority Debts Repayment
Gas	£75.00	Money for Creditors
Water	£40.00	Non-Priority Debts
TV Licences / Rental	£13.00	Non-Priority Debt
Clothing / Footwear	£35.00	Balance
Telephones / Internet	£25.00	Barclaycard £5,863.00
Travel / Car Costs / Petrol	£200.00	MBNA Card Services £4,000.00
Insurances	£8.00	Lloyd's TSB £3,250.00
Total Outgoings	£1410.00	Monument Cards £2,750.00
Signed		Payday Special £1,200.00
		Totals £17,063.00
		16/08/2013





Debt support available:

TEF Mental Health & Wellbeing

(www.Tefmentalhealthandwellbeing.org)

StepChange Debt Charity

(info@capuk.org)

Christians Against Poverty

(info@capuk.org)

Citizens Advice Bureau

(www.citizensadvice.org.uk)

National Debtline Debt Management

(www.nationaldebtline.org)

Shelter Debt Management

(www.shelter.org.uk)

Debt Support Trust Management

(www.debtsupporttrust.org.uk)

For support & information with anger management please contact us via our website:

www.tefmentalhealthandwellbeing.org



