

Armagh City, Banbridge & Craigavon Borough Council
Financial & Debt
Management Programme

Foreword

Welcome to a detailed money and debt information resource that we hope will help you to manage better during these very difficult financial times. The resource will support you with budgeting, spending, borrowing, credit scores, savings and with dealing with debt and mental well-being.

Armagh City, Banbridge & Craigavon Borough Council (ABC) are all too aware of the impact the economic situation is having on communities, families and individuals in our local area.

The Council are keen to support people through these times of need and have engaged with Advice NI and Community Advice Craigavon to develop this resource which can also be accessed online

<https://www.armaghbanbridgecraigavon.gov.uk/resident/community-development#moneymanagement>

and

<https://www.adviceni.net/money-debt/financial-and-debt-management-programme/resources>

Advice NI is a registered charity that seeks to ensure people have access to their rights, entitlements, and information to help them make informed decisions to better their situation. We provide free, confidential, independent, quality advice on benefits reform, debt (personal and business), Tax Credits & HMRC products and EUSS/immigration via our Freephone helpline 0800 915 4604 and online via advice@adviceni.net. We support over 70 independent advice agencies across NI which you can find on our website www.adviceni.net.

Community Advice Craigavon (CAC), following amalgamation of the former CAB offices in Portadown & Lurgan in 1997, has been established in the local community for more than 50 years. Providing face to face, telephone and digital advice and information across the urban towns of Lurgan & Portadown and the rural hinterlands. The organisation deals with more than 20,000 enquiries annually from vulnerable clients using the generalist advice service and through additional project work. It also provides specialist support to clients experiencing cancer, financial distress & money issues.

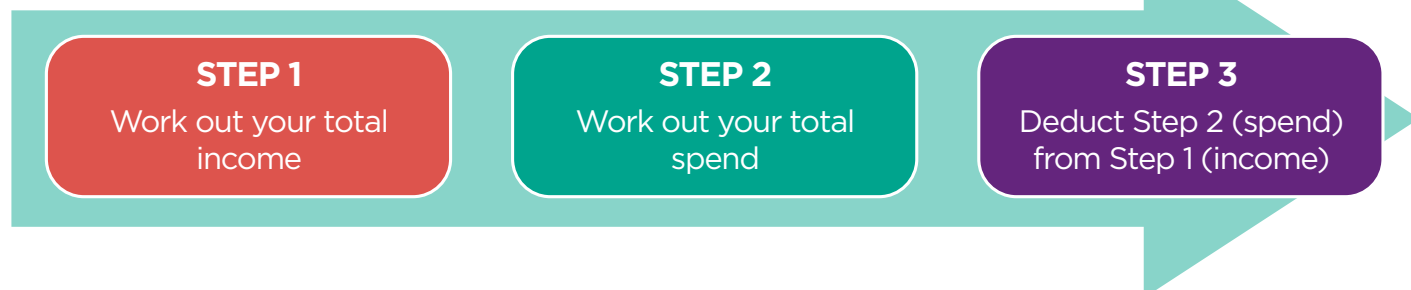
Community Advice Craigavon email enquiry@advicecraigavon.com or call 028 3836 1181.

Community Advice Armagh email Donna.Morris@communityadvicearmagh.com or call 028 3752 4041


We hope you find this resource useful. To get advice or to find your local independent advice centre freephone 0800 915 4604 or visit www.adviceni.net.

1. Creating a Budget

The simplest way to understand your finances is to work out your budget.



Budgeting Steps	
STEP 1	To work out your income list all of the money you have coming in on a monthly basis and add it together. Income might be from salary, benefits, pensions, child maintenance, and so on.
STEP 2	To work out your total expenses (spend) list all of the money you have going out on a monthly basis and add it together. A budget planner (see page 4) can help you to identify outgoings. Include all costs, even those which are infrequent. Look at bank statements and use a Spending Diary (see page 5) to help you to identify spending habits and amounts. Typical expenses include groceries, utilities (e.g. gas, electricity), housing (e.g. rent, rates, mortgage, insurance), children (e.g. childcare, school dinners), education, phone, insurance, leisure, transport, pets, health, subscriptions, and clothing.
STEP 3	To work out your budget take away your expenses from your income.
<p style="text-align: center;">EXAMPLE</p> <p>Siobhan's Budget: STEP 1: Income = £1,325/Month STEP 2: Expenses = £1,225/Month STEP 3: Income (£1,325) minus Expenses (£1,225) = £100</p>	



IMPORTANT

When working out a budget always make sure amounts are worked out in the same frequency of payments e.g. weekly, monthly or quarterly.

TO CONVERT WEEKLY PAYMENTS TO MONTHLY PAYMENTS:

$$\frac{\text{WEEKLY AMOUNT} \times 52 \text{ WEEKS}}{12 \text{ MONTHS}}$$

TO CONVERT MONTHLY PAYMENTS TO WEEKLY PAYMENTS:

$$\frac{\text{MONTHLY AMOUNT} \times 12 \text{ MONTHS}}{52 \text{ WEEKS}}$$

TO CONVERT QUARTERLY PAYMENTS TO MONTHLY:

$$\frac{\text{QUARTERLY SUM} \times 4 \text{ QUARTERS}}{12 \text{ MONTHS}}$$

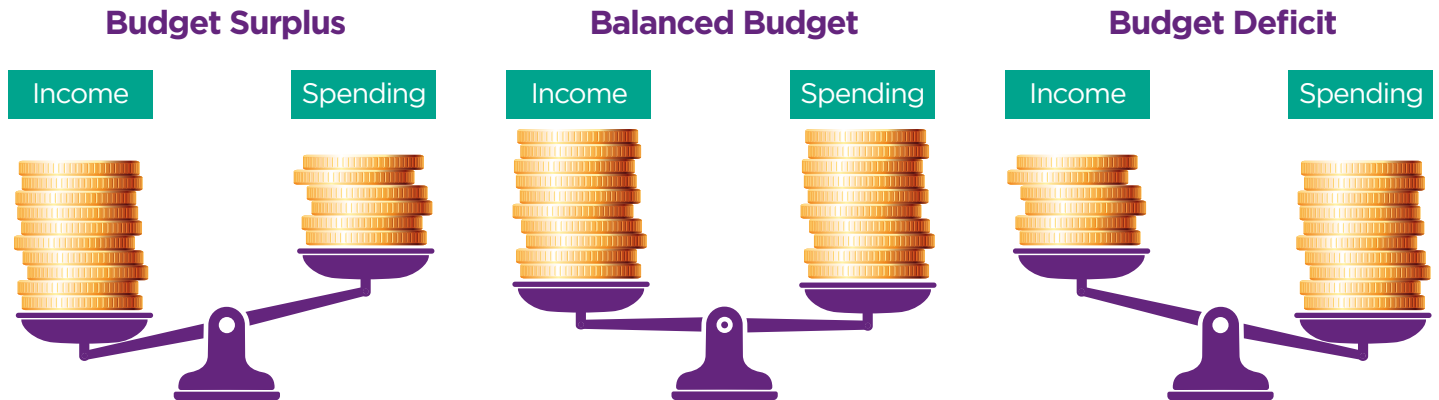
Budgeting Tools:

Below are some of the tools:

Resource	Access
Advice NI Budget Planner	See page 4
Advice NI Spending Diary	See page 5
Money Helper Online Budget Planner	https://www.moneyhelper.org.uk/en/everyday-money/budgeting/use-our-budget-planner
Demotivator - Online Non-Essential Spending Calculator	https://www.moneysavingexpert.com/shopping/demotivator/

2. What Does Your Budget Mean?

When you calculate your budget (Steps 1-3) your answer will reveal one of three outcomes:



If your budget is in surplus (more money coming in than going out) it is healthy. If your budget is balanced (same amount in as out) or in deficit (more going out than coming in) it is unhealthy.

3. Learning from Your Budget

Your budget can help you to manage your finances, make healthy financial choices, help you plan for the future, help you to meet financial goals or tackle financial difficulties.

Healthy Budget: If your budget is healthy you can decide whether you are able to put some of the surplus aside to ensure you have savings for the unexpected (e.g. a change of circumstances).

Unhealthy Budget: If your budget is unhealthy consider the following:

- Are there any opportunities to increase your income (e.g. unclaimed benefits, increased work hours, and so on)?
- Are there any expenses on the list that could be reduced or cut out (e.g. non-essential)?

To improve your budget have a look at our 'Making the Most of Your Money' guide (see page 6).

If you have a deficit budget, it is advisable to seek immediate FREE Independent Advice and speak to an Adviser who can help you.

FREE LOCAL ADVICE

Community Advice Craigavon

e: enquiry@advicecraigavon.com

t: 028 3836 1181

Community Advice Armagh

e: Donna.Morris@communityadvicearmagh.com

t: 028 3752 4041

Contact us for free advice

0800 915 4604

advice@adviceni.com

How to Budget

Better ways to manage your money.

BUDGET PLANNER

Why budget

A budget planner can show you where your money is going and will help you to you save for unexpected bills, Christmas or just for a rainy day.

Calculating your payments

You can work out your budget using many different methods, see examples opposite.

Monthly Calculating	What to do
Monthly bills	Enter amount in monthly column
Quarterly bill (eg telephone)	/ 3
Yearly bills (eg Christmas)	/ 12
Weekly bills (eg PAYG mobile)	x 52 then / 12

Weekly Calculating	What to do
Weekly bills	Enter amount in monthly column
Quarterly bill (eg telephone)	/ 13
Yearly bills (eg Christmas)	/ 52
Weekly bills (eg PAYG mobile)	x 12 then / 52

Income

	£ Weekly	£ Monthly
Pay after tax		
Pension income		
State Benefits		
Interest		
Investment income		
Child maintenance		
Other (1)		
Other (2)		
Total		

Less

Spending	£ Weekly	£ Monthly
Household		
Food		
Mortgage / Rent		
Council Tax		
Electricity		
Gas		
Phone / Internet		
Water		
Other		
Total		
FINANCIAL PRODUCTS		
Loan/Card Payments		
Pension Contributions		
Savings/Investments		
Life/Other Insurance		
Other		
Total		
LEISURE		
Going Out		
Alcohol/Cigarettes		
TV/Licence/Satellite		
Holidays		
Other		
Total		
CHILDREN		
Childcare		
Child Maintenance		
Other		
Total		
TRAVEL		
Getting to work		
Car		
Other		
Total		
OTHER		
Other (1)		
Other (3)		
Total		

Total

Spending	£ Weekly	£ Monthly
Total Spending		
Net Total		

Potential Actions



*Making a budget
is the first step towards
being in control of
your finances.*

[illegible]

▶ Your spending diary can help you to review your spending and spot where you might be able to reduce costs.

Contact us for free advice

0800 915 4604
advice@adviceni.net



1. Decrease Spending

Complete a Spending Diary and Budget Planner. To help see what is essential or non-essential, split your expenses into needs and wants.

Needs: These are expenses you can't avoid. This includes essential expenses such as food (groceries), housing (e.g. rent, rates, insurance, mortgage payments), utilities (e.g. gas, electricity, phone), children (e.g. childcare, school dinners), transport (e.g. car expenses, public transport), and credit or debt repayments.

Wants: These are expenses which you may be able to do without. This includes non-essential expenses such as subscriptions (e.g. Netflix, Sky), memberships (e.g. leisure clubs), alcohol, meals out/ takeaway, holidays, beauty treatments, and non-essential clothes.

While it might be more difficult to reduce spending on needs than wants, the following tips can help you to consider if you can reduce spending in either area.

i. Change Utility Provider: Compare prices across different utility and fuel providers in NI and switch provider for cheaper tariffs or prices. There are a range of online tools to help:

Organisation	Tool	Overview	Link
Consumer Council	Energy price comparison tool	Compare Gas and Electricity prices in NI	http://www.consumercouncil.org.uk/energy/energy-price-comparison/
Enrgy.info	Domestic power costs comparison tool	Compare Gas and Electricity prices in NI	http://www.enrgy.info/compare-prices
Power to Switch	Energy price comparison tool	Compare Electricity provider prices in NI	https://powertoswitch.co.uk/electricity-comparison/get-a-quote/
Uswitch	Internet price comparison tool	Search for high speed broadband and costs by postcode	www.uswitch.com/broadband/local/
Cheapest Oil	Oil price comparison tool	Home heating oil price comparison	http://www.cheapestoil.co.uk/Heating-Oil-NI

ii. Shop Around: Before you buy, always see if you can get the item or service cheaper elsewhere by comparing prices and deals. Use comparison sites (e.g. for insurance), discount sites or find voucher codes to find the best prices. Useful sites include:

Comparison Sites	Discount & Voucher Sites
Compare the Market: https://www.comparethemarket.com/	Money Saving Expert https://www.moneysavingexpert.com/deals/discount-voucher-codes/
Go Compare: http://www.gocompare.com/	Living Social https://www.livingsocial.co.uk/deals/shop
Money Supermarket: http://www.moneysupermarket.com/	Groupon https://www.groupon.co.uk/

iii. Be Sustainable: Rather than buying new, save money while being ethical, and shop second hand (e.g. charity shops, local buy & sells) or on 'Give-Away' sites. For example:

Organisation	Description	Link
Freecycle	Household items available for free. You can even request an item that you are looking for.	https://www.freecycle.org/town/BelfastUK
Olio	A sharing App where food and household items available for free.	https://olioex.com/



TIP

Use the Money Saving Expert Demotivator tool to help cut down on non-essential spending.

Available at
<https://www.moneysavingexpert.com/shopping/demotivator/>

TIP

Before you buy ask yourself:

- Do I **NEED** it?
- Can I **AFFORD** it?
- Is it **CHEAPER** somewhere else?

iv. Save Energy: Save energy in your home to reduce fuel and utility bills. For tips on how to do this visit:

<https://energysavingtrust.org.uk/hub/quick-tips-to-save-energy/>.

v. Meal Planning: Planning meals and making a packed lunch can help reduce costs as well as food waste. In addition, when buying food cut out luxury items, and try to buy deals or non-brand (cheaper) goods. If you are prone to impulse buys, try doing an online shop instead or making a list and sticking to it. Sites such as Safe Food can help with meal planning <https://www.safefood.net/transform>.

vi. Reduce Non-Essential Spending: Are you paying for things you don't need (e.g. forgotten subscriptions, services you no longer use – check your bank statement)? Can some expenses be reduced (e.g. by doing things less often or looking for cheaper/free alternatives) or cut out entirely? Set limits on your spending and take up hobbies you can do for free (e.g. walking).

vii. Banking & Credit: Transfer your balance when the interest free periods run out and keep swapping to the best deals. Review your banking terms and swap to higher interest accounts or cash-back offers where possible.

viii. Downsize/Location: If housing costs are high consider whether downsizing your home or moving to a cheaper area/cheaper accommodation is possible. If transport costs are high, is it viable to move to an area where these can be reduced? Make sure all implications of a move are factored into decision making.

2. Maximise income

There are different ways of increasing income which will depend on your circumstances.

Benefits & Supports: Are you receiving all the benefits, pensions, supports (e.g. benevolent funds, energy schemes, child maintenance, cost of living support) to which you are entitled? You can visit a Benefit Adviser who can complete a benefit check to help you to maximise your income and complete a 'Better Off' calculation to see how changes could impact your benefits. There is also a range of online information and self-help tools to support you:

Tool/Information	Link
Benefit Calculator	https://www.entitledto.co.uk/organisations/benefits-calculator
Pension Credit Calculator	https://www.gov.uk/pension-credit-calculator
Crisis support Information	https://www.adviceni.net/cost-of-living/crisis-support
Energy Bills Support Information	https://www.adviceni.net/cost-of-living/energy-bills-support
Cost of Living Payments	https://www.adviceni.net/cost-of-living/cost-living-payments
Income Maximisation	https://www.adviceni.net/cost-of-living/income-maximisation

Increased/Flexible Hours: Can you increase hours at work or get a second job? Can you condense hours to reduce childcare or transport costs? Remember to consider tax or benefit implications.

Salary: Check your tax band and that you are receiving minimum wage. To find minimum wage rates visit: <https://www.gov.uk/national-minimum-wage-rates>

Home: Can you ask adult children for rent or Air B&B a room to generate income from your home? Be mindful of mortgage, tenancy or tax implications (e.g. permissions).

Energy Grants & Schemes: Check to see if you are entitled to any energy efficiency grants or schemes <https://www.adviceni.net/cost-of-living/energy-efficiency> or [energy bills support https://www.adviceni.net/cost-of-living/energy-bills-support](https://www.adviceni.net/cost-of-living/energy-bills-support). Further information is available at <https://www.adviceni.net/money-debt/money-talks-help-guides/fuel-and-energy>

IMPORTANT

Any income generated may impact on any benefits you receive. You should also check whether you have to pay tax on this income. A Benefit Adviser can complete a 'Better-Off' calculation to help you.

Before you Borrow

Borrowing money, while at times useful, can present costs and risks. Therefore, take time to think before borrowing and consider all options. Ask yourself:

- Do I really need the item or service? Is it essential? If it is essential, is there a different option to borrowing (e.g. foodbank, clothes bank, second hand, Freecycle)?
- Do I need to borrow the money or could I raise the money a different way (e.g. access benefit entitlements, wait until pay-day, secure overtime, or garage sale)?
- Can I afford to borrow the money including the repayments, charges and so on?
- How much can I really afford to borrow?
- What type of borrow option will work best for my situation?
- How much will I have to pay back in total (including interest and charges) and by when?
- What are the risks or charges if things go wrong?
- What is the best deal I can get when comparing lenders or borrowing options?

If you are using borrowing to pay for everyday expenses (e.g. food), contact a free Money & Debt adviser who can help you to look at your budget and other options available to you.

Borrowing Options

Always check your lender is approved by the Financial Conduct Authority (FCA) before borrowing or paying any fees to ensure it is not a scam. Check here <https://register.fca.org.uk/s/>

Some borrowing options are higher-risk than others (e.g. high-cost lending) and some should **ALWAYS** be avoided. A range of borrowing options and their risks are outlined below:

Credit Union Loan: Credit Unions support their local communities and people to combat financial exclusion by offering affordable loans. Members pool savings to provide each other with low interest loans, usually much lower than other forms of credit. Credit Union loans do not usually charge hidden or additional fees such as early redemption fees. Credit Unions usually require borrowers to live or work in the local area, so you need to find one relevant to you:

Ulster Federation of Credit Unions	Irish League of Credit Unions
Location Tool: https://ufcu.co.uk/ Contact: t: 028 9030 1204 or 028 9030 9994. e: info@ufcu.co.uk	Location Tool: https://www.creditunion.ie/ Contact: t: +353 1 614 6700 e: info@creditunion.ie

Bank/Building Society Personal Loans: are usually a fixed amount (the interest rate you repay will not change), borrowed over a fixed period of time (the term of the loan) and paid back in monthly instalments usually by direct debit. You will be charged a rate of interest and sometimes fees. Secured personal loans means that an asset (usually your home) has been used as security against the loan in case you can't pay the loan back, so they can be a risky option.

Credit Cards: allow you to buy things or withdraw cash on credit. Interest charged is usually high and there can be handling fees (e.g. for cash withdrawal) making it an expensive way to borrow. However, if you pay off your balance or borrowing in full each month you pay no interest.

Overdraft: A bank may offer an overdraft facility to take more money out of a bank account than is in the account. Interest is paid on the amount owed and you may have to pay an administration or arrangement fee. The interest rate on an overdraft is typically higher than a personal loan and if you go over the agreed limit charges (e.g. fees and additional interest) can be very high.

Hire Purchase: with this type of credit, you don't own the item, rather you hire it until all instalments and charges are paid. You cannot sell or dispose of the item without the lenders permission, and may face additional costs if the agreement is terminated (depending on the amount paid).

Payday Loans: are intended as a short-term loan borrowed from a company until your next payday. There is usually a **very high interest** rate and they often come with very large penalties if a payment is missed, making them very expensive for people. Think about the options listed above before taking a Payday Loan. If you decide to take one be sure to shop around and compare interest rates. Check on the Financial Services Register if the price comparison website is regulated <https://fac.org.uk/firms/financial-services-register>

Pawnbrokers: are lenders that offer you money according to the value of the goods that you bring to them. They keep the goods until you repay the loan and interest/fees which is typically very high. If you don't pay off the loan within the time period the lender can sell your goods to get their money back so it can be risky.

Borrowing from Family or Friends: can be tempting as no interest is usually paid. However, it can impact on relationships and friendships if the money is not paid back or not paid on time, so consider this carefully.

Loan Sharks: **ALWAYS AVOID** illegal lenders such as loan sharks. Unlicensed money lending has increased in NI with the cost of living crisis. Loan sharks charge high interest rates and sometimes use money-lending as a means of control with threats of violence if repayments are not made. If approached by a loan shark, **DO NOT BORROW** and instead seek **FREE** money advice to help maximise your income or manage your debts.

IMPORTANT



If you have borrowed from and/or are being harassed by a loan shark contact the Northern Ireland Trading Standards Service immediately by Phone 0300 123 6262 or E-mail tss@economy-ni.gov.uk. Trading Standards can help you deal with your situation and the loan shark. Not repaying a loan from an unlicensed lender isn't a criminal offence, and in fact, if a lender isn't licensed by the FCA then they have no legal right to recover the debt. For more information about dealing with loan sharks visit <https://www.nidirect.gov.uk/articles/dealing-loan-sharks>

Choosing Credit (what to borrow)

If you need to borrow money, always consider the best borrowing option for your situation, and always shop around for the best deals and lowest risks. Comparison websites (e.g. <https://www.moneysupermarket.com/>) can help with this, but it is important to understand what to compare. Consider:

Annual Percentage Rate (APR)/Interest Rate: APR means the cost of borrowing over the year including fees and charges. However, you need to check which charges are included. Generally, the higher the APR, the more you pay. You also need to check if interest rates are fixed or variable. If they are variable, they could increase over the lifetime of the loan. Interest free deals (e.g. on balance transfers) usually only last a short time before high interest kicks in so use caution. Use a loan calculator to work out the full cost of the loan <https://www.moneysupermarket.com/loans/calculator/>

Additional Charges: Consider additional fees not included in APR e.g. administration fees, arrangement fees, early redemption fees, late payment fees, and balance transfer fees to work out the full cost of borrowing.

Borrowing Period: The longer you borrow for, the more expensive it is overall. However, increasing the borrowing period can make monthly repayments cheaper and more manageable. You can use a Loan Calculator to show you the difference in overall cost of paying a loan off more quickly. <https://www.moneyhelper.org.uk/en/everyday-money/credit-and-purchases/loan-calculator>

Secured or Unsecured: If a loan is secured against an asset (e.g. your home), there could be more risks involved if you can't keep up with payments.

If the borrowing options available to you are high risk or high interest, improving your credit rating can help to access better borrowing options and deals. See our Accessing Better Credit Options guide.

Credit Rating

A credit score or rating is an assessment based on what you have borrowed and how you have paid it back. Lenders use this to decide whether to approve or decline credit. Credit is a loan/what you borrow. Private companies called Credit Rating Agencies keep these records on file and finance companies (e.g. banks) will use them to check on applications made for credit by individuals.

If your credit rating is not good:

- You could be offered a much higher interest rate (APR) because you are seen as high risk;
- You may be offered a smaller amount of money; Or
- You may be rejected completely for credit.

Each lender will have their own criteria for assessing whether or not to lend, and refusal by one lender doesn't impact your credit score, so it is possible to try a different lender. It is important to note, however, that too many applications in a short period of time can make a lender reluctant to lend to you.

Good Credit Rating

The main factors that will give a good credit score include:

- ✓ If you own your own home or have lived at the same address for more than a year.
- ✓ You have previous good credit with a range of lenders.
- ✓ You are on the electoral register.
- ✓ Your credit history shows that you have always paid loans, bills etc. on time.
- ✓ You have maintained bank accounts for long periods of time.
- ✓ You are in stable employment e.g. have worked for the same employer for a long period of time.
- ✓ You are not financially connected to someone with a poor credit score (e.g. through a joint bank account or mortgage).
- ✓ You use less than 30% of your credit limit.

Negative Credit Rating

Factors which can negatively impact your credit rating include:

- ✗ Mistakes on your credit report.
- ✗ High levels of existing debt.
- ✗ Missing payments or making late payments.
- ✗ If you receive a County Court Judgement for an unpaid bill.
- ✗ Not being on the electoral register or moving home a lot.
- ✗ Being tied into a joint form of credit (e.g. bank account, loan, mortgage) with someone who has a poor credit history (Financial Association).

Improving a Credit Rating

i. Access Your Credit Report:

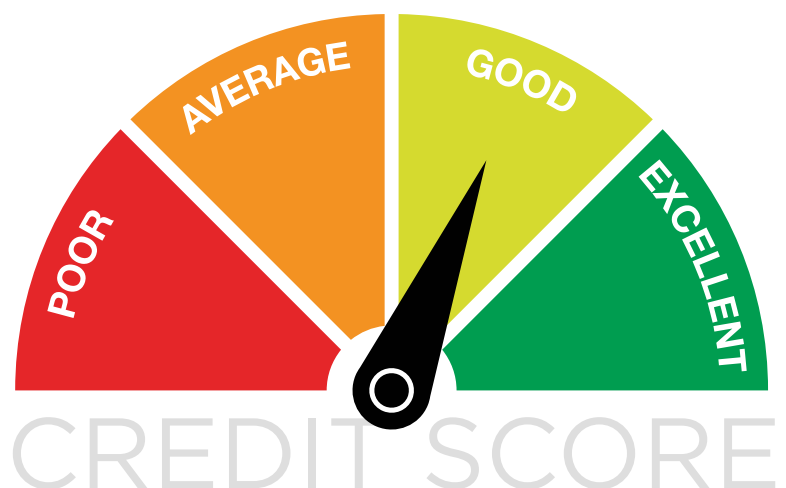
The first thing to do to improve your credit rating is to access your credit report. There are three credit agencies which hold credit reports on you: Equifax, Experian and TransUnion. These Credit Rating companies offer credit checks;

- **Experian:** www.experian.co.uk. Experian use Money Saving Expert (MSE) Credit Club, which provides free access to your full Experian credit report anytime: <https://www.moneysavingexpert.com/creditclub/>
- **Equifax:** www.equifax.co.uk. Equifax use Clear Score, which provides free access to your Equifax credit report anytime: <https://www.clearscore.com/signup>
- **TransUnion:** <https://www.transunion.co.uk/>. TransUnion use Credit Karma, which provides free access to your TransUnion report anytime: <https://www.creditkarma.co.uk/>

It is useful to check all 3 reports at least once a year. Be mindful of subscription fees. Checking your own credit report does not damage your credit score, in fact, it is responsible behaviour to regularly check it.

ii. Check Your Credit Report: Your report will help you to identify any issues or action you can take to repair your credit rating. Check for the following:

- Are there any errors on your credit score (e.g. a miss-typed address)? If so, ask one of the Credit Rating companies to help correct this.
- Is there any fraudulent activity (e.g. fraudulent accounts opened in your name) which is impacting your score? If you have been a victim of identity fraud, report this, and ask one of the Credit Rating companies to help to remove this from your record.
- Are previous late payments or County Court Judgements due to drop off your record in the near future and improve your score? Information usually remains on a credit file for 6 years.
- Is there a previous financial link (e.g. ex-partner) on your credit record with whom you no longer share a financial connection? If so, ask one of the Credit Rating companies for a disassociation.
- You can also include a notice of correction in your credit file as an explanation to lenders of poor payment history, for example, a period of poor mental health causing debt issues. To find out more about a Notice of Correction including how to add one to your credit report visit <https://www.experian.co.uk/consumer/guides/notice-of-correction.html>



iii. Identify Other Ways to Build Good Credit: Other ways to build a good credit score include:

- Get or keep existing debts or liabilities under control, for example, debt repayment plans. Seek **FREE** independent debt advice to help. Try to pay existing debt on time and even early if possible.
- Enrol on the electoral register.
- Do not make too many credit applications in a short period of time or stop making credit applications altogether until your record is improved.
- Try to use less than 30% of your credit limit.
- Keep old accounts open and show a long credit history, but check for fraudulent activity on these.
- A credit builder card can help rebuild your credit score (for example, small purchases paid off quickly). However, these have high interest rates, and only help your score if you are able to make the repayments on time, and in full. Therefore, they can negatively impact your credit rating if not used in this way so consider carefully.
- Avoid Credit Repair Agencies who offer to help you fix your credit rating for a fee. These can be expensive and lead to more debt, negatively impacting your credit rating. Some of these companies charge for services you can get for free e.g. accessing your credit report.

iv. Allow Time & Seek Support: Depending on the actions needed to improve a credit report or rating, and your credit history, it can take time to improve, and in turn time to access better credit options. If you need help or support to improve or access credit, manage debts, or to maximise your income, see our Getting Advice guide.



The Link between Money Worries & Mental Wellbeing

Money worries and debt can be both a cause and a consequence of mental ill health.

Worrying about money or debt can impact mental wellbeing, causing uncertainty, anxiety, and stress making dealing with the situation more difficult. This can in turn make the money worries and debt worse leading to a vicious cycle.

Money worries can impact mental health by affecting thoughts, feelings and behaviours. Negative thoughts and feelings experienced can include worry, fear, guilt, frustration, upset, anger and powerlessness. These feelings are common when in debt and support is available to help you through.



Avoidance & the Dangers

Avoidance is a common behavioural approach when stressed. In regards to financial difficulty it can display as not opening post, hiding a bill in the drawer, not contacting creditors and so on. While avoidance can bring short-term relief, it is only a temporary fix and can cause more stress, anxiety and difficulties in the long run. Avoidance of repayments and creditors, especially for priority debts, can lead to increased financial difficulties (e.g. through missed bills, late fees, charges, fines and legal action), further impacting mental wellbeing.

If you are struggling with finances or debt, or you find it difficult to set money aside for emergencies there is help available to support you in managing your debts. For help with managing money and debt see our Getting Advice guide. A Debt Adviser can help you to identify priority debts, liability (or responsibility) for debt, and debt solutions such as write-offs.

The sooner you tackle the financial problem, the sooner you regain control. If your financial difficulties or debts are impacting your mental health, tackling the problem can help reduce stress, as can seeking support for your mental wellbeing.



Managing Mental Health & Money:

There are a range of self-help supports and toolkits available to help you to manage your mental health and money. These include:

- Mental Health & Money Toolkit: <https://www.mentalhealthandmoneyadvice.org/en/toolkit/>
- Mental Health & Money Advice: <https://www.mentalhealthandmoneyadvice.org/ni>
- Managing Debt for Mental Health Guide:
<https://www.mentalhealthandmoneyadvice.org/media/1421/mindwise-managing-debt-booklet.pdf>
- Money & Mental Health:
<https://www.mind.org.uk/information-support/tips-for-everyday-living/money-and-mental-health/>
- Mental Health & Debt Guide:
<https://www.moneysavingexpert.com/content/dam/mse/mentalhealthguide-Jan-2023.pdf>
- Mental Wellbeing: <https://www.mind.org.uk/information-support/tips-for-everyday-living/wellbeing/wellbeing/>
- 5 Steps to Mental Wellbeing:
<https://www.nhs.uk/mental-health/self-help/guides-tools-and-activities/five-steps-to-mental-wellbeing/>

Please Note: while much of the content of these guides is extremely useful, these do relate in the main to England & Wales. For Northern Ireland information and guidance please speak to a local debt adviser.

Services to Support your Mental Health & Wellbeing:

If your financial situation is impacting your wellbeing, there are FREE help and support services available. These include crisis lines (immediate support if you are in distress or despair and struggling to cope), counselling, advocacy, information, therapeutic services and so on. If you need support make contact with a service.

Service	Support	Contact Details
Lifeline	Immediate support available across Northern Ireland 24 hours a day, 365 days a year.	t: 0808 808 8000 (24 hour) Textphone: 18001 0808 808 8000 http://www.lifelinehelpline.info
Samaritans	Immediate support available across Northern Ireland 24 hours a day, 365 days a year.	t: 116 123 e: jo@samaritans.org https://www.samaritans.org/branches/
Mindwise	Support available across Northern Ireland.	t: 028 9040 2323 e: info@mindwisenv.org http://www.mindwisenv.org
Inspire	Support available across Northern Ireland.	t: 0808 189 0036 e: hello@inspirewellbeing.org or dundalk@inspirewellbeing.ie http://www.inspirewellbeing.org
PIPS	Support available across Northern Ireland.	t: 0800 088 6042 e: info@pipscharity.com https://pipscharity.com/services/
PIPS Upper Bann (Lurgan)	Local support service. Helpline 9am - 9pm, 7 days per week.	t: 028 3831 0151 e: pipsupperbann@hotmail.co.uk https://www.mindingyourhead.info/service/pips-upper-bann-lurgan
To search for Mental Health Services in your area visit: https://www.mindingyourhead.info/services		

To download a directory of mental health and wellbeing services in your local Trust area visit:
<https://www.publichealth.hscni.net/publications/directory-services-help-improve-mental-health-and-emotional-wellbeing>

Do You Need Money or Debt Advice?

There are lots of causes of financial difficulty, particularly in a cost of living crisis, so it is important to know when to seek help. There is no shame in getting into debt or having to ask for help. We advise anyone struggling with their finances to seek advice early.

There are a number of debt options we can help with. Our factsheet give an overview of how each option works. To find out more about these options visit <https://www.adviceni.net/money-debt/money-talks-help-guides/debt-management/options-dealing-debt#debt-options-available>

If you can answer **'YES'** to any of the below we recommend seeking immediate money and debt advice:

- ☐ Do you have more money (or the same amount of money) going out each month than you have coming in?
- ☐ Are you behind with important bills or payments and struggling to catch up (e.g. rent, mortgage, heating)?
- ☐ Are you having to choose between essential expenses such as heating or eating?
- ☐ Are you borrowing money to fund everyday living expenses?
- ☐ Is a high proportion of your income going to repay debts?
- ☐ Are you struggling to meet minimum re-payments (e.g. of credit cards or loans)?
- ☐ Are you taking out credit to pay credit or borrowing from one place to pay off debt somewhere else?
- ☐ Are you often facing financial charges or penalties?
- ☐ Do you ignore letters or phone calls from people you owe money to (creditors)?
- ☐ Do you worry about how you will make repayments?
- ☐ Do you feel your financial situation has become unmanageable or out of control?
- ☐ Are you unable to set aside money for a financial emergency?
- ☐ Have you had or are you facing any court action relating to debt?
- ☐ Are money worries impacting on your family and your health?
- ☐ Are you at risk of eviction or losing your home?

How Can A Money & Debt Adviser Help?

A Money & Debt Adviser can help by

- ✓ Completing a financial statement that looks at your budget based on income and spending.
- ✓ Boost income by identifying entitlements (e.g. benefits, grants, schemes).
- ✓ Discussing options to reduce spending - to help work out a surplus income.
- ✓ Helping to identify priority debts and giving advice on any urgent situations.
- ✓ Giving advice on dealing with all types of debt (priority & non priority).
- ✓ Highlighting solutions and consequences of each potential debt solution/re-payment option.
- ✓ Contacting and negotiating with creditors (those you owe money to) on your behalf.
- ✓ Agreeing a plan of action relevant to your situation (e.g. Debt Management Plan, token payments, insolvency options, write-offs).
- ✓ Directing you to relevant self-help materials and resources.
- ✓ Signposting to local help and supports relevant to your situation.

An Adviser can work with you on an ongoing basis until your case is resolved. To find a free, confidential, independent quality assured debt advice service please contact Advice NI helpline 0800 915 4604 or find your local advice centre on www.adviceni.net.

Preparing for Money & Debt Advice

In order for the Adviser to get a full picture of your situation and advise you on appropriate options, it is helpful to gather relevant information to bring to your first appointment (please note this information will be treated with confidentiality).

Information to gather includes:

- Details of all income (wage slips, benefit letters, pensions etc.) .
- Details of household spending (rent, rates, childcare, travel costs, phone bills etc.).
- Bank statements (most recent copies).
- Details of all those you owe money to and how much (latest statements and letters), regardless of whether there are arrears.
- Copies of original agreements (e.g. loan/credit agreements).
- Any recent letters (e.g. debt collection agency, landlord etc.) .
- Any court letters or papers.

Self-Help Options

An Adviser can also help and support you to take debt management forward yourself, for example, providing access to self-help tools and resources (e.g. budget planner, sample letters to creditors and so on). When taking action yourself make sure you consider the tips below.

- ✓ Establish that you own and owe the debt.
- ✓ Deal with priority debts and emergency situations first.
- ✓ Contact creditors as early as possible to explain why you are in debt and negotiate a manageable repayment plan.
- ✓ Don't ignore creditors letter or phone calls.
- ✓ Keep copies of all agreements and letters.
- ✓ Take a note of any phone calls, include the person's name and what was agreed.
- ✓ Have a completed budget to hand when negotiating with creditors.
- ✓ Always seek free, independent, advice if you need help.

IMPORTANT

Priority Debts are those where the consequences of non-payment are more severe e.g. loss of home (eviction/ repossession), jail, bankruptcy, disconnection of an essential utility (e.g. electricity, gas), or fines. This includes debts such as rent, mortgage, secured loans, court fines, rates, TV licence, Child Maintenance, and tax.

Self-Help Resources:

There are a range of self-help tools and resources to help you to manage debt. These include the following:

Resource	Link
Personal Debt Help Guides	https://www.adviceni.net/money-debt/money-talks-help-guides
Personal Debt Tools & Resources	https://www.adviceni.net/money-debt/tools-and-resources
Business Debt Factsheets & Resources	https://www.adviceni.net/money-debt/business-debt

Where to Get FREE Help & Advice

Advice NI and its members provide FREE independent, confidential and impartial debt advice services across Northern Ireland. You can access the service by appointment at one of the local advice agencies listed below, by calling any of the numbers below, by contacting Advice NI through the referral link <https://www.adviceni.net/money-debt/financial-and-debt-management-programme/referral-form-individuals>, and/or by sending an email to advice@adviceni.net.

FREE LOCAL ADVICE

Community Advice Craigavon

e: enquiry@advicecraigavon.com
t: 028 3836 1181

Community Advice Armagh

e: Donna.Morris@communityadvicearmagh.com
t: 028 3752 4041

Contact us for free advice

0800 915 4604

[advice@adviceni.com](mailto:advice@adviceni.net)



If you are struggling with Business Debt, Advice NI offers a FREE Business Debt Service available through the same one number helpline.

SUPPORT SERVICES & HELPLINES		
Organisation	Contact Details	Services
FOOD & FUEL COST OF LIVING CRISIS SUPPORT		
Armagh Foodbank	Armagh area 077 5268 0805 info@armagh.foodbank.org.uk	Food support
The Storehouse – Banbridge Community Foodbank and Bridge Pantry	Banbridge area foodbank@gracegeneration.co.uk facebook.com/StorehouseBanbridgeFoodbank/	Food support
Dromore Foodbank Via Wings	Dromore area 07946783279 info@viawings.co.uk facebook.com/ViaWingsDromore	Food support and social supermarket
Keady Outreach	Keady area 07514705304 Keadytoutreach@gmail.com Facebook.com/Keadyoutreach/	Crisis Support
Craigavon Foodbank	Craigavon area 0333 050 7702 contact@craigavonfoodbank.org.uk	Food support
St Vincent de Paul	Armagh, Keady, Lurgan, Portadown, Craigavon & Banbridge 02890 351561 www.svp.ie/request-help	Crisis support
The Salvation Army Lurgan	76-82 Union Street, Lurgan 028 3832 3222 07942614738 lurgan@salvationarmy.org.uk	Crisis support
The Salvation Army Portadown	17 Edward Street Portadown 028 3833 7684 07818689929 portadown@salvationarmy.org.uk	Crisis support
Warm hub schemes	Council premises across ABC area 0300 0300 900 info@armaghbanbridgecraigavon.gov.uk	Heat, hot drink, chat
ADVICE		
Community Advice Armagh	9 McCrums Court, Armagh 028 3752 4041 earmagh@communityadvicearmagh.com	Advice & Information including specialist debt advice across the ABC council area
Community Advice Craigavon	Portadown Health Centre, Tavanagh Ave Mount Zion House, Edward Street Lurgan 028 3836 1181 enquiry@advicecraigavon.com	Advice & Information including specialist debt advice across the ABC council area
Advice NI	Regional Charity Freephone 0800 915 4604 advice@adviceni.net www.adviceni.net	Free, independent help to access your rights and entitlements – welfare rights, tax and benefits, business and personal debt and European Union Settlement Scheme advice

SUPPORT SERVICES & HELPLINES		
Organisation	Contact Details	Services
ADVICE		
Law Centre NI	Regional Charity 028 9024 4401 info@lawcentreni.org www.lawcentreni.org	Legal charity providing advice on employment, immigration & social security law
Housing Rights	Regional Charity 028 9024 5640 info@housingrights.org.uk www.housingrights.org.uk	Specialist housing advice including homelessness
Step Change	0800 138 1111 www.stepchange.org	Free confidential debt advice. Online support only in NI.
EMERGENCY CONTACTS		
Southern Area Out of Hours GP	028 3839 9201	Emergency medical advice - available after 6pm daily and weekends / public holidays
Social Services Out of Hours Duty Social Worker	028 3839 9201	Emergency social work response 5pm – 9pm and 24 hrs at weekends
Samaritans	116 123 www.samaritans.org	Provides emotional support to anyone in distress struggling to cope or at risk of suicide
Lifeline	0808 808 800 www.lifelinehelpline.info	24 hour support for those in distress or despair
Childline	0800 1111 www.childline.org.uk	24/7 counselling support for children & young people
The Rowan – Regional sexual assault referral centre	0800 389 4424 www.therowan.net	24 hour free phone helpline support for anyone who has been sexually abused, assaulted or raped
FAMILY SUPPORT		
Womens Aid Armagh Down	0808 802 1414 – 24 hour helpline 028 3025 0765 www.womensaidarmaghdown.org	Support and advice for women & children affected by domestic abuse or human trafficking
Wave Trauma Support Centre Armagh	028 3751 1599 adminarmagh@wavetrauma.org www.wavetraumacentre.org.uk	Support to people affected by the civil unrest in Northern Ireland irrespective of religious, cultural political belief. From 2020 Wave provide services for Survivors of historical institutional abuse (HIA)
Clanrye Group	Newry, Armagh & Portadown 028 3089 8119 info@clanryegroup.com www.clanryegroup.com	Charity working with local communities including support for carers and families
Praxis Care	Lurgan & Portadown 028 90234555 info@praxiscare.org.uk www.praxiscare.org.uk	Supported living services for people experiencing mental ill health

SUPPORT SERVICES & HELPLINES		
Organisation	Contact Details	Services
FAMILY SUPPORT		
Parentline NI	0808 8020 400 ci-ni.org.uk	Free, confidential helpline for parents and carers across NI
Parenting NI	0808 801 0722 www.parentingni.org	Support for parents & carers, freephone helpline counselling & parenting programmes
Red Cross	Regional & Local locations 028 9023 2055 RSnorthernireland@redcross.org.uk www.redcross.org.uk	Support for asylum seekers and refugees, tackling destitution & supporting integration
ADDICTIONS		
Cuan Mhuire	028 3084 9010 www.cuanmhuire.ie	24 hour alcohol & gambling helpline
EXTERN	028 9084 0555 028 9033 0433 www.extern.org	Homelessness, substance abuse & rehabilitating offenders to build safer communities
Gamblers Anonymous	028 9024 9185 www.belfastga.co.uk www.gamblersanonymous.org.uk	Supporting people with a gambling addiction
MENTAL HEALTH & OTHER SUPPORT		
Aware	028 90357820 www.awareni.org	Support for those affected by depression
Child & Adolescent Mental Health Services (CAMHS)	028 3083 5400	Promotes emotional wellbeing & delivers care treatment & preventative mental health services to children & young people



Funded by
Department for

Communities

An Roinn

Pobal

Department for

Communities

www.communities-ni.gov.uk

Advice NI
1st Floor Forestview
Purdy's Lane
Belfast BT8 7AR
028 9064 5919
www.adviceni.net

  @AdviceNI

Registered Charity No. NIC00008
Advice NI is registered as a company limited by guarantee in Northern Ireland (NI071966) | HRC Reg. No: XR16104