



Debt

**adviceⁿⁱ**
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advice network

Dealing with Debt
Some Top Tips

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Are you worried about the amount of debt you have? Can you no longer meet the monthly credit card or loan repayments? Are you behind with priority bills for example, those payments you make to your mortgage, rent, electricity and gas? Do you feel anxious about what might happen to you?

Don't panic!

Help is at hand and there are several things that you can do to help ease the burden of your financial situation.

Some top tips to help you deal with your debt.



Don't ignore the problem. It won't go away and might only get worse unless you take action.

You can contact a Debt Action NI Adviser who will offer a free, confidential appointment to talk through options that are available to you. When you have arranged an appointment, you can get yourself prepared by gathering together all information relating to your debts, priority bills (rent, mortgage, utilities etc), income and expenditure.

For further information, see the Debt Advice Interview leaflet.

The adviser will check to see if your income could be increased, for example, checking that you are paying correct tax, claiming the right benefits, tax credits and so on.

For further tips, see the How to Maximise Your Income leaflet.

You should put together a budget of all your income and expenditure (to help with this download the budget planner at www.debtaction-ni.net or speak to one of the Debt Action NI Advisers).

Completing the budget planner will help you decide how much you can afford to pay your creditors

- Firstly work out all of your income
- Then work out all of your regular spending. Keeping a spending diary could help you with this. Remember those items that you only pay for once or twice a year. Do not include payments you make towards your debts
- The money left over will be what is available to pay your debts
- Deal with your priority debts first, for example, rent, mortgage, electricity and gas. Make contact with all your priority creditors once you have drawn up a budget and decided what you can realistically afford to pay them

The image shows a 'How to Budget' BUDGET PLANNER form. It includes sections for 'Income' (with sub-sections for Salary, Pensions, etc.), 'Less' (with sub-sections for Rent, Mortgage, etc.), and 'Total' (with sub-sections for Total Income, Total Expenditure, etc.). There is also a 'Potential Actions' section at the bottom. The form is titled 'How to Budget' and 'BUDGET PLANNER'.

Always keep copies of any correspondence that you receive.



Be aware that it is common for creditors to send letters that threaten further action such as court judgments. Often creditors will describe 'possible' action rather than what they are actually going to do. We recommend that you do not ignore these letters. While some letters are designed to put pressure on you to make payments, some are more serious.

In all cases, creditors must follow Office of Fair Trading (OFT) guidelines on fair debt collection when writing to you. You can download the OFT Debt Collection Guidance from <http://www.offt.gov.uk/about-the-offt/legal-powers/legal/cca/debt-collection>

- Don't borrow more money to pay off existing debts without seriously thinking about it first. If you decide to borrow money to pay off debts, seek advice and shop around for the cheapest loans
- Check if your payments to creditors are covered by Payment Protection Insurance (PPI). PPI could cover your payments if you are sick or have lost your job. If you are paying PPI this will be shown on your credit statements.



Most creditors prefer to make contact using the phone as it is an easier way to put pressure on you to make payments. Although you should never ignore your creditors, you do not need to take calls if you find them upsetting or you are repeating yourself each time.

The creditors will also send letters to you to reinforce any information they give you on a call.

Again, they must adhere to the OFT guidelines.

If you are being harassed by a creditor or debt collection agency, for example they are telephoning you at your place of work or at anti-social hours, contact Consumerline who may investigate the creditors' behaviour.
Call 0300 123 6262.

A Debt Action NI Adviser can offer you expert professional advice and help you to deal with your debt. You can contact them by telephone, e-mail or in person.
All details are provided on www.debtaction-ni.net
Be assured that there are options available to help you.

*For further help and advice including
information on Debt Advisors in your area
contact:*

Debt Action Northern Ireland
www.debtaction-ni.net



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