



# Debt

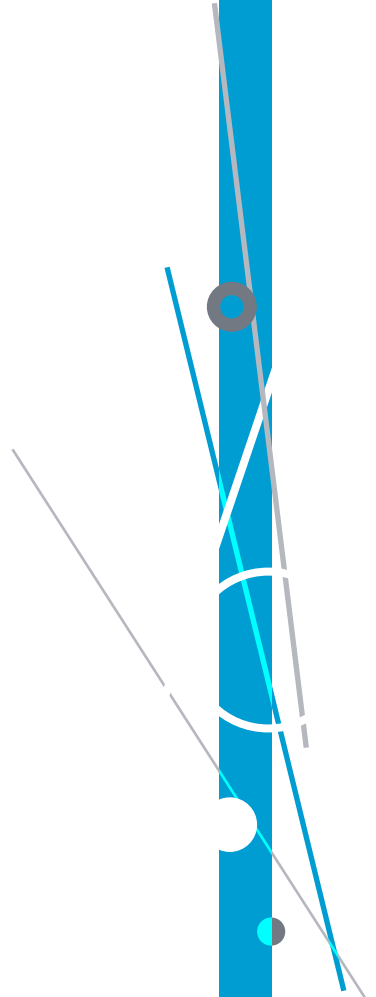
## A Self Help Guide to Finding a Solution



# Advice Works

Advice Works are a debt-counselling service within Renfrewshire Council. We provide help for people who are facing problems managing their debts.

Our service is free, independent and confidential. We will not share information about your circumstances with any other organisation without your agreement.



# Introduction

If you feel that your financial situation is, or is about to become, out of your control, try not to panic!

Many people get into financial difficulties at different times in their lives, and for a variety of different reasons.

Recognising that there is a problem is your first step forward as it is important to deal with your situation at an early stage.

We have designed this pack to help you decide on possible solutions when tackling financial problems.

You can use this pack on your own, however; you do not have to deal with your situation alone - there is professional advice available.

We can help by:

- making sure you manage your income effectively and looking at your overall financial situation;
- advising you of all options available to you; and
- prioritising debts and negotiating with creditors on your behalf.

# Self-help guide

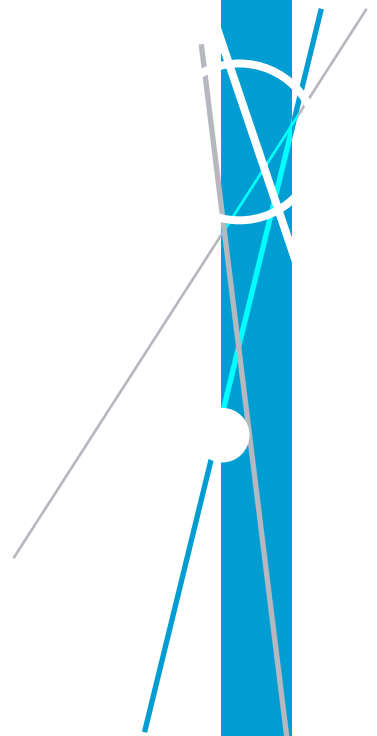
With a little bit of guidance, many people can draw up a financial statement and negotiate successfully with their creditors.

The following pages will guide you through the process.

Included within this pack are:

- a table identifying your most important debts;
- a sample financial statement;
- a blank financial statement;
- sample letters to creditors; and
- details of possible options available.

If you have any difficulties, you can contact us and we will help you manage your debts.



# Priority debts

Some debts are more important than others. Each person or company that you owe money to, will try to persuade you that they are the most important. Often it is hard to say no to their demands, especially if they call at your door or make repeated phone calls. Try not to make promises about payments that you cannot keep. Instead you should follow this guide and decide which creditors are your most important.

It is essential that you deal with debts such as housing costs (rent or mortgage), fuel, council tax, court fines and hire purchase agreements (if the item is a necessity) as a priority, and make arrangements for repaying these before tackling your other debts. These should be included in your financial statement with your essential outgoings as these debts can have serious consequences if not dealt with from the start. If you are having difficulties with someone you owe money to contact Advice Works as we can help.



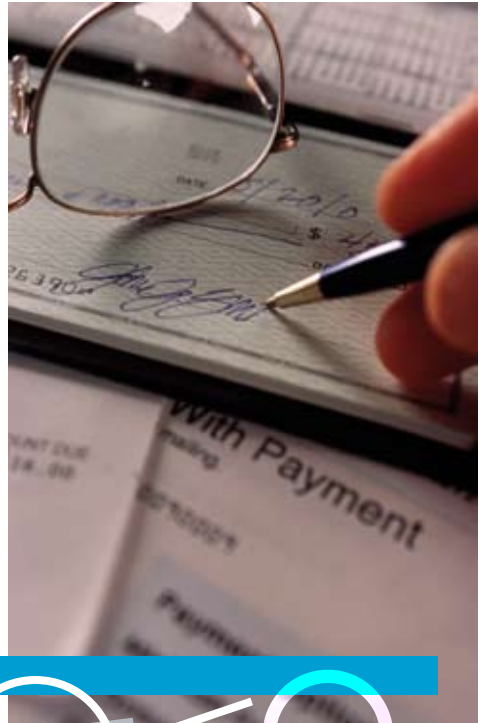
# Priority debts

Debt	Possible action against you
Rent arrears	You may be evicted from your home.
Mortgage arrears	Your home may be repossessed.
Secured loan	Your home may be repossessed. New legislation means that any debt over £3,000 may put your home at risk. Contact Advice Works for up to date information, as the new legislation is due to be reviewed in the future.
Council tax	Attachment of your goods (page 10) An amount may be taken from your earnings or benefits. You may be declared bankrupt..
Child maintenance	An amount may be taken from your earnings. Risk of prison.
Court fines	An amount may be taken from your Income Support. Risk of prison.
Gas and electricity	Your supply may be cut off.
Hire purchase and conditional sale	Your goods may be repossessed or you may have to hand them back under a court order.
TV licence	You may have to pay a court fine .
Income tax National insurance VAT arrears	Attachment of your goods (page 10) An amount may be taken from your earnings or benefits. You may be declared bankrupt.

# Action a creditor can take

If you ignore your debts, your creditors have a number of options to recover any amount due to them. It is better to deal with your debt problems at an early stage because if you do nothing, the creditor is likely to take court action which will result in extra expenses as you would generally be liable for the costs involved in raising the action.

Creditors must tell you, in writing, how much you owe, and give you an opportunity to bring your account up to date before taking court action. There are procedures which they must follow. If a creditor has taken action against you, you should get professional advice to make sure that the correct steps have been taken. Even after action has been taken, it may be possible to reverse this if you act quickly enough.



# Action a creditor can take

The most common actions available to a creditor are outlined below.

## Attachment of goods

The process of attachment is where an item owned by you, but kept outside your home (for example, items in your garage or shed), can be collected and sold to repay all or part of your debt. There are clear detailed rules on what goods can be attached, and you can challenge decisions. You should contact us for advice and help.

## Exceptional attachment orders (EAO)

If a creditor has shown the court that he or she has taken steps to try to recover a debt through a wage arrestment without success, they can apply for an exceptional attachment order. This allows items in the property to be 'attached'. Only items which are classed as non-essential can be attached. These do not include essential items such as sofas, beds, bedding, the phone, the television, and laundry and kitchen equipment. If an EAO is granted, your items will be removed and will be auctioned to repay your debts. You should get help and advice as soon as possible.

## Arrestment of earnings

To recover debt following court action, a creditor can contact your employer to carry out a wage or salary arrestment. The amount taken is fixed by law and based on the amount of money you earn. For example, if you earn £200 a week, £24 will be taken from your wage. Your employer will be given a copy of the scale. If your wage or salary increases, your arrestment will increase according to the scale. The employer sends the money due to the creditor from each wage until the debt has been repaid. A copy of the arrestment schedule will be sent to you. Your employer can charge you £1 every time he or she pays an amount to your creditors.

To view the levels of arrestment, you can go to [www.renfrewshire.gov.uk](http://www.renfrewshire.gov.uk) and enter 'earnings arrestment' in the quick search.

# Action a creditor can take

## Bank arrestment

If you do not pay your debt following court action, a creditor can carry out a bank arrestment. This can be served without warning on your bank, building society or even your credit union account. The money held in your account on the day the action takes place becomes frozen and you cannot use it to pay direct debits, standing orders and so on. You will receive a letter telling you about the arrestment and why this has been done.

A bank arrestment 'freezes' money you owe to the creditor plus possible expenses. For example, if you have £2,000 in your account and you owe £1,000 they may freeze £1,500, but you should be able to access the remaining £500. A bank arrestment only freezes the money that is in the account on that day, although they can try again at a later date if they think money has been added to your account.

New rules have been proposed that may mean a certain amount of money must be left in your account for basic living expenses, but the rest will be 'frozen' and you cannot

access it until you authorise that the money owed is paid to the creditor. If you refuse to release the money held in your account, the creditor can apply to the court to have the amount released and you will have to pay the costs of this action. You should contact us for help as we can help to negotiate with the creditor.

## Bankruptcy

It is unusual for a creditor to apply to make a debtor bankrupt. However, this can happen, especially if a creditor runs out of patience when a debtor continues to break payment arrangements and the creditor is aware that the debtor has items of value which can be sold to repay the debt.

It is more common for an individual to make themselves bankrupt if they feel it would sort out their debt problems and the relevant court action has been taken against them. (See the bankruptcy section on the 'Other options' page.)

There are legal proceedings which a creditor must take before they can take any of the above actions. Contact us for more advice.

# Your financial statement

Your financial statement is the most important negotiating tool. It is vital to set out your income and essential outgoings accurately, as your repayments will depend on this.

You should make sure that you are receiving all the benefits which you may be entitled to. You can contact us if you need help with claiming benefits or with an appeal if you are refused a benefit. We can provide advice to the whole family on possible entitlements.

Check also whether you have any payment protection on any loans or your mortgage that you may be entitled to claim.

You should consider realistic amounts when completing your financial statement. For example, the amount you pay for gas or electricity in the summer will not be the same as in winter. You may want to look at payment options which spread the costs evenly throughout the year. You should also look at ways of reducing your spending on items such as phone and television services. It is also important that you do not underestimate your essential spending as the success of your repayment programme depends on it.

**You should decide whether it would be easier to budget on a weekly or monthly basis.**

To convert a weekly figure to a monthly figure	To convert a monthly figure to a weekly figure
Multiply the weekly amount by 52 then divide it by 12	Multiply the monthly amount by 12 then divide it by 52

# Your financial statement

Your household income should include:

- your wages or salary after deductions;
- benefits, including tax credits and child benefit;
- payments given to you by other household members;
- child maintenance; and
- any other income.

Your household spending should include:

- your mortgage or rent;
- Council tax;
- fuel (gas, electricity, coal and so on);
- housekeeping (food, toiletries, cleaning materials, plus other spending such as birthdays);
- court fines;
- travel expenses;
- phone;
- clothing;
- prescriptions and health costs (You may be able to get help with this);
- childminding; and
- any other regular essential outgoings.

Creditors may question items which they feel are too high. If this happens you should be prepared to explain the reason. This may be due to health, housing or family problems.

# Sample financial statement

**Name:** Mr and Mrs John and Susan Smith

**Address:** 1 High Street, Anytown, AA1 1AA

**Household:** Two adults

Weekly or monthly income	£	Weekly or monthly outgoings	£
Your income after deductions	£169.00	Rent	
Your partner's income after deductions		Mortgage	£38.30
Working Tax Credit	£72.17	Endowment insurance	
Child Tax Credit		Secured loan	£59.45
Statutory Sick Pay		Council Tax	£30.00
Jobseeker's Allowance		Council Tax arrears	
Income Support		Electricity (Powercards)	£15.00
Child Benefit		Gas	£10.00
Incapacity Benefit	£55.90	Life insurance	£6.00
Disability Living Allowance		Building and contents insurance	£11.00
State Retirement Pension		TV rental	
Works Pension		TV licence	£2.50
Widow's Pension		Housekeeping	£60.00
Maintenance		Maintenance	
Industrial Injuries		Fines	
Contributions to board		Phone	£12.00
Other		Clothing	£10.00
Other		Travel	£9.50
Other		Childminding	
Other		Lunches	£12.50
Other		Regular prescriptions	£3.15
Other		Other	
<b>Total income:</b>	<b>£297.07</b>	<b>Total outgoings:</b>	<b>£279.40</b>

Total income - total outgoings = **weekly balance (money available to pay your creditors)**

Total income: £297.07

Total outgoings: £279.40

**Total money available: £17.67 (to pay your creditors)**

# Financial statement

Name:

Address:

Household:

Weekly or monthly income	£	Weekly or monthly outgoings	£
Your income after deductions		Rent	
Your partner's income after deductions		Mortgage	
Working Tax Credit		Endowment insurance	
Child Tax Credit		Secured loan	
Statutory Sick Pay		Council Tax	
Jobseeker's Allowance		Council Tax arrears	
Income Support		Electricity (Powercards)	
Child Benefit		Gas	
Incapacity Benefit		Life insurance	
Disability Living Allowance		Building and contents insurance	
State Retirement Pension		TV rental	
Works Pension		TV licence	
Widow's Pension		Housekeeping	
Maintenance		Maintenance	
Industrial Injuries		Fines	
Contributions to board		Phone	
Other		Clothing	
Other		Travel	
Other		Childminding	
Other		Lunches	
Other		Regular prescriptions	
Other		Other	
<b>Total income:</b>		<b>Total outgoings:</b>	

Total income - total outgoings = **weekly balance (money available to pay your creditors)**

Total income: £

Total outgoings: £

**Total money available:** £

# Creditors

Once you have listed your priority debts and they have been included on your financial statement, make a list of all remaining creditors' names, addresses, account reference numbers and balances. These debts could be:

- credit cards;
- bank loans;
- catalogues;
- trading cheque vouchers;
- store cards;
- a credit sale agreement; and
- personal loans.

## Legal liability for debt

Before including any money in your repayment plan, you should make sure that you are responsible for the debt. The agreement should have been signed by you and drawn up in the correct format (if you are in any doubt about the legality of a contract, you should contact your local consumer and trading standards office). Only the person who has signed the agreement can be held responsible for the debt. You are not responsible for your partner's debts but you may be affected by recovery action related to them. You should get advice about this.

If you have signed an agreement jointly with someone else, by law the creditor can ask either or both of you to repay the full amount outstanding and not just a part of it.

If you have signed as guarantor for another person, you have agreed to pay the amount outstanding if the person cannot, or will not, repay their debt.

If you have any doubt about your responsibility for a debt, you should get advice as soon as possible. Failing to do this may have a negative effect on your credit rating and you may be at risk of having your wages arrested or losing your home.



# Working out your offers

The people you owe money to would prefer that you pay a manageable amount regularly, rather than make promises that you cannot keep. You can make different types of offers depending on your personal situation.

## Pro-rata offers

If you have money left over to pay your creditors, the best way to divide it among them is by sharing it out on a pro-rata basis. Pro-rata means that each creditor will get a share of the money available according to how much you owe them.

## Pro-rata calculation

$$\frac{\text{Money available (to pay your creditors)}}{\text{Total debt} \times \text{Individual debt}} = \text{Pro-rata offer}$$

Example

(Money available from the sample financial statement)

$$\frac{\pounds 17.67}{\pounds 3,970.00} \times \pounds 2,000.00 = \pounds 8.90$$

(All debts added together)                      (Anybank Plc debt)                      (Pro-rata offer)

Example of a repayment programme using the method above.

Creditor	Account reference number	Balance	Pro-rata offer
Anybank Plc		£2,000.00	£8.90
Flexiloan Co		£950.00	£4.23
Easycheque Today		£600.00	£2.67
Catalogue		£420.00	£1.87
		£3,970.00	£17.67

# Working out your offers

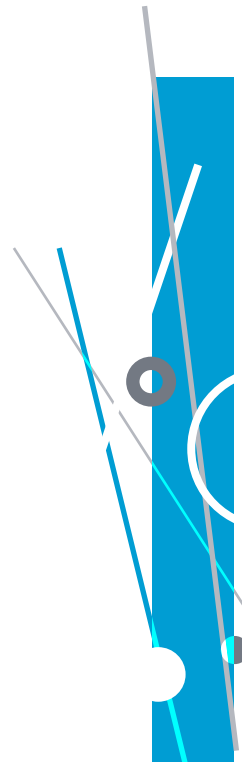
## Token payment offers

If you do not have enough money left over but you want to make a payment to your creditors, this is called a token payment. To make this offer you would have to make cutbacks in your outgoings. This shows your creditors that although money is tight, you are still trying to repay your debt. A token offer would be a small amount, for example, £2 a month to each creditor (if you have five creditors, you would need to be able to reduce your essential expenses by £10 a month).

## Negative balance

When your outgoings are more than your income and you have no money left over to make any offer of payment to your creditors, you could ask them to withhold action on your account for three to six months, when hopefully your circumstances will have improved.

If you feel there is no possibility of your circumstances improving, you could ask your creditors to write off the debt. They may look at this as an option if there is a particular reason why your situation is unlikely to improve (for example, severe mental-health problems or a terminal illness). If you want to continue making payments to your creditors, you should consider token payments (as explained above).





# Negotiating with creditors

When writing to creditors, it is important that you include:

- Your detailed financial statement;
- A list of all your debts;
- Relevant background information on your present circumstances; and
- A request that interest and charges are frozen.

There are sample letters in this pack to help you when you are writing to people you owe money to.

A creditor may pass your debt to a collection agency. They often do not send on other information such as your financial statement or offer. You may feel that letters from the collection agency are more threatening, but they have no greater powers than the creditor. If this happens, you should send a copy of your financial statement and offer to the collection agency and deal with them directly.

Or, you can contact us for advice and help.



# Pro-rata sample letter

Your address  
Date

Creditor's Name  
Creditor's Address

Dear Sir or Madam

Account reference number: \_\_\_\_\_

I am writing to tell you that my financial circumstances have changed since making the agreement.

I cannot make the agreed repayments at the moment because \_\_\_\_\_

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I enclose a financial statement showing my current financial situation. I have £\_\_ left each week or month to pay towards our debts.

I have divided the money available on a pro-rata basis, offering each creditor an equal share of the available funds. In view of my present situation, please agree to accept the offer of £\_\_ every week or month. Please also consider freezing interest and any other charges on the account to help my current situation.

If my circumstances improve, I will contact you to increase the payments.

Please send me details of the payment options available and any forms or payment books I need to make the payments.

Thank you for your help in this matter and I look forward to your reply as soon as possible.

Yours faithfully

Your signature  
Your name in print

# Token payment sample letter

Your address  
Date

Creditor's Name  
Creditor's Address

Dear Sir or Madam

Account reference number: \_\_\_\_\_

I am writing to tell you that my financial circumstances have changed since making the agreement.

I cannot make the agreed repayments at the moment because \_\_\_\_\_

---

---

I enclose a financial statement showing my current financial situation. I will try to reduce my essential outgoings so I can make a token payment.

In view of my circumstances, please accept a token payment of £\_\_ a month. Please also consider freezing interest and any charges to help my situation.

If my situation improves, I will contact you to increase my payments.

Please send me details of the payment options available and any forms or payment books I need to make the payments.

Thank you for your help in this matter and I look forward to your reply as soon as possible.

Yours faithfully

Your signature  
Your name in print

# No offer sample letter

Your address  
Date

Creditor's Name  
Creditor's Address

Dear Sir or Madam

Account reference number: \_\_\_\_\_

I am writing to tell you that my financial circumstances have changed since making the agreement.

I cannot make the agreed repayments at the moment because \_\_\_\_\_

---

---

I enclose a financial statement showing my current situation. I do not have enough money to pay my debts.

In view of my circumstances, please consider holding this account for three months, after which hopefully my circumstances will have improved.

Please also consider freezing interest and any charges to help reduce my problem at the moment.

Thank you for your help in this matter, I look forward to your reply.

Yours faithfully

Your signature  
Your name in print

# If creditors refuse your offer

If one or more of your creditors refuse your repayment proposal and are demanding more than you can afford:

- start paying the amount you can afford as a gesture of goodwill and ask them to reconsider;
- reconsider your offer by reducing your outgoings; and
- explain in more detail why this is all you can afford and ask them to reconsider.

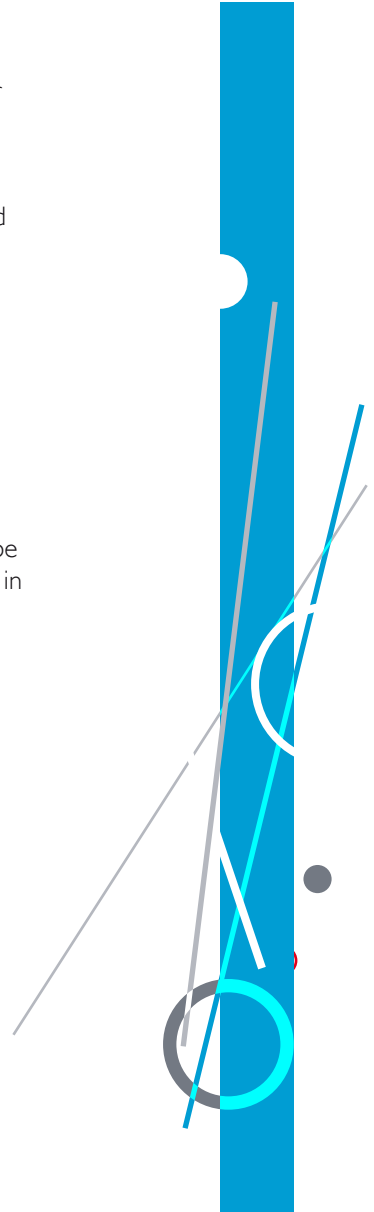
While creditors are allowed to remind you that payments are due, they are not allowed to threaten or harass you.

Creditors should not:

- threaten to tell family, friends or neighbours;
- exaggerate their legal position; or
- apply unreasonable charges.

Acting in this way would be considered illegal and should be reported to the **Office of Fair Trading** (contact details are in the 'Useful addresses' section at the back of this book).

If you are worried about threats from a creditor, you can also contact us for confidential advice.



# Other options

There are several other options which you may want to consider. A brief outline of each is given below, but we would suggest that you get professional advice before making your final decision.

There are advantages and disadvantages to each of these solutions. Before entering into any formal agreement, you should look at the long-term effect of your decision to make sure that it would be your best option. You should always remember that your home could be at risk if you cannot keep to your repayments.

**Remortgaging to pay your debts.** This may be an option available to you if your present mortgage is quite a bit less than the current value of your property. It may be easier and cheaper to make one single payment to your mortgage lender rather than several payments to creditors as well as your mortgage.

**You should take great care when considering remortgaging.** You should be aware that by increasing your mortgage to clear your debts, you are changing unsecured credit to a loan being secured on your property. This means that if you fail to make payments, your home would be at risk of being repossessed. You should always get advice before taking out a financial agreement which uses your property as security in case you do not pay.

To help you decide whether this would be your best option, you should get professional advice while considering the following questions.

- Will you be able to repay the new mortgage before you retire or can you afford it on your retirement income?
- Will interest rates have an effect on your ability to pay?

# Other options

## Consolidating your debts

Consolidating means taking out one large loan to pay off smaller debts. The advantage of this is that you can reduce your weekly or monthly outgoings and you only have one payment to make. There are several disadvantages to this method of dealing with your debts, and you should consider the conditions involved. The repayment period will be longer and the interest rates may be higher. You should also be aware that the new loan may need security on your property. This may put your home at risk if you are not able to make the payments. You should **get advice from us** before agreeing to consolidate your debts as there may be more favourable options available to you.

## Debt arrangement scheme (DAS)

The DAS allows you to repay your debts with the added security of knowing that none of your creditors can enforce legal action while it is in place and you are keeping to your arrangement.

It is a formal arrangement where an approved money advisor must draw up a debt payment programme. It has to be approved by the DAS administrator and allows you to make one single payment which is distributed among your creditors.

This could be a favourable option if you have a reasonable income, but not enough to pay the monthly amounts that your creditors want. It would also protect your property if you are a homeowner. Contact us for more information about this scheme.

**(The scheme may change to help more clients in the future, so contact Advice Works for up to date information.)**

# Other options

## Trust deed

A trust deed is an agreement between you and an insolvency practitioner, and is an alternative to bankruptcy. It is an option available when you have the ability to make a reasonable contribution towards your debts but you are not in a position to pay them off.

The Insolvency Practitioner is appointed by you to manage your debts, and in return for this service you agree to pay a monthly contribution. A fee will be taken, from this contribution, and at the end of the term of your trust deed a dividend will be paid to your creditors.

A trust deed normally lasts for three years, and the rest of your debts will be written off after the dividend has been paid. If you have any assets - such as equity in your home or a car - the insolvency practitioner is required to value these (work out how much they are worth) for the creditors. They should do this right at the start, so make sure that you are clear about what is happening to any assets. You will be given the opportunity to buy out any value and keep your property. If you have a lot of equity in your house (i.e your house is worth more than your mortgage) a Trust Deed may not be right for you, so contact us for advice.

One of the major benefits of a trust deed is that you do not have to wait for a creditor to take court action before you enter into the agreement.

If you struggle to make your payments contact your Insolvency Practitioner as soon as possible.

# Other options

## Bankruptcy

Bankruptcy (which in Scotland is known as sequestration) may be a solution if you owe a lot of money and can see no way of paying off your debt.

If you have any assets (for example, property such as a house, car, boat, caravan or items which are of value), these would become the property of the trustee and can be sold to help pay off your debts.

When you become bankrupt, your creditors cannot take any further action against you to recover your debts. A bankruptcy normally lasts for three years, during which time you will be asked to make what payments you can afford to pay off the debts. This can be extended if the trustee is made aware that you may have access to funds following this period (for example, a trust fund becomes payable). At the end of this period, your debts will be written off.

Before you can make yourself bankrupt, a creditor must have taken legal action against you and served a charge for payment on you. Or, you could become bankrupt after receiving a statutory demand for paying rates, council tax or taxes.

You must pay the court a fee to declare yourself bankrupt. This may be covered by legal aid in certain circumstances.

Although your debts are written off after the three-year period, your bankruptcy can be noted on your credit history for up to nine years and can affect your ability to get credit. You should get professional advice to make sure this is your best option.

**New rules on Bankruptcy are coming into force soon in Scotland (Dec 2006), so contact Advice Works for more information.**

# Looking ahead

When you have sorted out your debts and your situation has improved, you might want to save small amounts regularly for emergencies, Christmas and so on. Ways to help you do this are outlined below.

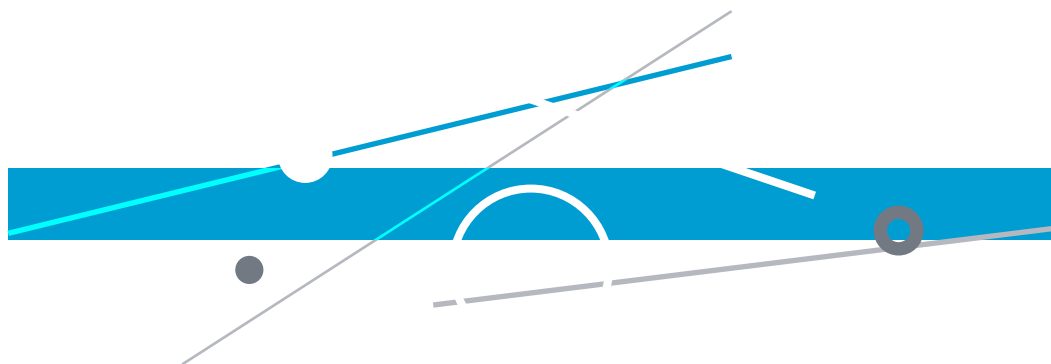
## Credit union

A credit union is a community or common bond bank, which you can join if there is one available in your area. (see the page on credit unions in Renfrewshire). It allows people to save as much, or as little, as they can afford. It also allows people to borrow money with repayments suited to their financial situation. When borrowing, you should consider interest rates as you might be able to get a lower rate in a bank, or interest-free credit may be available for goods.

Some Credit Unions offer debt repayment schemes where one payment to them is distributed to all your creditors.

## Post office account

The post office offers a basic card account where benefits can be paid in and withdrawals made at post office counters. There are no charges for this account and you cannot become overdrawn.



# Looking ahead

## Basic bank account

You can open a basic bank account which your benefits or wages can be paid into. It is a straightforward account that only allows you to take out money that you have already paid in. You cannot normally overdraw on this type of account, but you need to be careful if you are setting up direct debits or standing order instructions as these will only be paid if there is money in the account. If the direct debit or standing order is refused because there is not enough money available the bank will charge for this. You could be charged as much as £35 each time the direct debit is not paid due to lack of funds! Most banks have a basic account - just ask. There are details about accounts on the Financial Services Ombudsman website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)

If you have problems obtaining a bank account contact us.

## TV Licence Cash Easy Entry Scheme

This system allows you to pay your TV licence every week or two weeks if you rely on benefits such as Housing Benefit, Council Tax Benefit, Jobseeker's Allowance or Tax Credits. Paying in this way can help you manage your money.

# Useful addresses

## **Jobcentre Plus - Paisley**

49a High Street  
Paisley PA1 2AN  
Phone: 0141 800 2000

Contact Centre for Claims  
Phone: 0845 601 6619

## **Jobcentre Plus - Renfrew**

5 High Street  
Renfrew PA4 8QL  
Phone: 0141 800 6800

## **Jobcentre Plus - Johnstone**

11 Floors Street  
Johnstone PA5 8QT  
Phone: 01505 405 7000

## **Consumer and Trading Standards**

Renfrewshire Council  
Cotton Street  
Paisley PA1 1LE  
Phone: 0141 840 3106

## **Office of Fair Trading**

Fleetbank House  
2-6 Salisbury Square  
London EC4Y 8JX  
Phone: 0845 722 4499

## **Paisley Law Centre**

65 George Street  
Paisley PA1 2JY  
Phone: 0141 561 7266

# Renfrewshire credit unions

## **Bridgewater Credit Union**

Bargarran Community Centre  
Erskine PA8 6BS

## **Gallowhill Credit Union**

Gallowhill Community Centre  
Netherhill Road  
Paisley PA3 3SF

## **Glenburn Credit Union**

18 Skye Crescent  
Glenburn  
Paisley PA2 8EL

## **White Cart Credit Union**

73 Neilston Road  
Paisley PA2 6N

## **Johnstone Credit Union**

26 Church Street  
Johnstone PA5 8DU

## **Linwood Credit Union**

Linwood Community Centre  
Brediland Road  
Linwood  
PA3 3RA

## **Renfrew Credit Union**

8 High Street  
Renfrew PA4 8QP

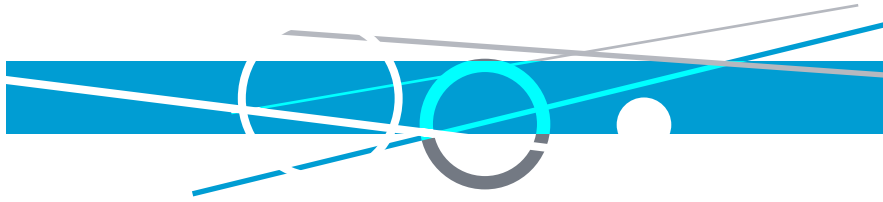
## **Renfrewshire Wide**

Credit Union  
High Street  
Paisley

# Glossary - the terms we use

Conditional sale	An agreement where goods are supplied in return for regular payments. You will not own the goods until you have made the last payment.
Consolidation	Bringing several debts together to make one single loan payment.
Creditor	Someone you owe money to.
Debtor	Someone who owes money.
Hire purchase	An agreement where goods are borrowed from a supplier. You do not own the goods until you have made the last payment.
Negative balance	Where outgoings are greater than incomings.
Non-dependant	Someone living with you who is not included in your benefit entitlement and whom the government class as financially independent from you.
Prioritise	Deal with in order of importance.
Pro-rata offer	A payment worked out in relation to the amount you owe. The greater the debt, the higher the share of the money available.
Secured loan	A form of credit where the lender has an interest in your property to make sure you make the payments.
Wage arrestment	An amount taken from your salary to repay your debt.





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