



# Repayment Methods

If you owe money, the people you are in debt to would prefer that you pay a manageable amount regularly, rather than make promises 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.

## 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. This shows your creditors that although money is tight, you are still trying to repay your debts. 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 reduce your essential expenses by £10 per 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 3-6 months, when hopefully your circumstances are improved. If you feel there is no possibility of your circumstances improving, you could ask your creditor to write off the debt. They may look at this option if there is a reason why your situation is unlikely to improve, for

example, severe mental health problems or terminal illness).

## 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 the arrangement. It is a formal arrangement available to those living in Scotland. Please see our 'DAS fact sheet' for more details.

## Bankruptcy

It is the process where an individual is made bankrupt following an application to the Accountant in Bankruptcy. Bankruptcy usually lasts one year. During this period creditors cannot take legal action against a person to recover outstanding debts. Normally at the end of the one year period, the debt is written off and the bankrupt person is discharged. Please see our 'Bankruptcy Fact Sheet' for more details.

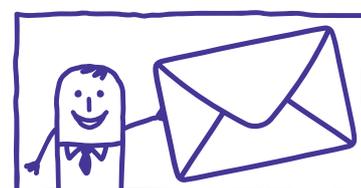
## Trust Deed

A trust deed is an arrangement 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. A trust deed normally lasts for 3 years. If you have assets the insolvency practitioner is required to value these. You do not have to wait on a creditor taking court action before you can enter into the agreement.

## Getting in touch



[www.renfrewshire.gov.uk/adviceworks](http://www.renfrewshire.gov.uk/adviceworks)



Visit or write to: Advice Works, 8 Collier Street, Johnstone PA5 8AR

# ADVICE WORKS

## Drop-in times

### Erskine

Erskine Library  
Bridgewater Shopping Centre  
Bridgewater Place  
PA8 7AA

**Friday, 9am to 11am.**

### Johnstone

Advice Works  
8 Collier Street  
PA5 8AR

**Monday to Thursday,  
9am to 11am.**

### Paisley

Customer Service Centre  
Renfrewshire House  
Cotton Street  
PA1 1BU

**Monday, Tuesday and  
Friday, 9am to 11am  
and 1pm to 3pm.**

### Renfrew

Renfrew Health Centre  
Ferry Road  
PA4 8SB

**Wednesday and Thursday,  
1pm to 3pm.**



**HELPLINE**  
**0300 300 1238**  
10am-4pm Monday to Friday

