

# DEBT ADVICE



## DEALING WITH YOUR DEBT

- **Don't ignore the problem.** Debt won't go away and the longer you leave it the worse it gets.
- **Don't borrow money to pay off your debts.** Think carefully, get advice first. Borrowing could lead to you getting further in debt and possibly losing your home.
- **Work out your personal budget.** Complete this at end of booklet and return to Debt Advisor. Make sure you tackle your priority debts first. For example, Rent - you could lose your home, Council Tax, Gas and electricity - you could have your supply cut off.
- **If you have lost your job or are off work due to illness.** Check if you can claim benefits or you are paid while off sick.
- **Don't give up trying to reach an agreement.** Don't worry if your arrangement is small its what you can afford to pay and complete personal budget at end of booklet.
- **Give all facts and figures.** Giving false information will not help you deal with your debt. Any debt is a problem.
- **Always attend court hearings.** Take a copy of your financial statement with you.
- **Always keep copies of any letters or forms,** you send or receive.

## **Six Stages to managing your debt**

- Stage 1** Work out your income by completing the income Section A on the attached Financial Statement.
- Stage 2** Work out your outgoings by completing the expenses Section B of the attached Financial Statement.
- Stage 3** Work out how much you have left to pay your creditors by completing Section C Of the Financial Statement.
- Stage 4** List all of your debts by putting the amount you owe into this column, putting the Priority debts into Section D and non priority debts into Section E of the Financial Statement.
- Stage 5** Work out how much you can afford to pay your priority creditors by contacting them all and agreeing how much you will pay them each week on top of your normal Payments. You need to pay more to the ones that you owe more to.
- Stage 6** If you have any money left then you should work out how much you can afford to Pay your non priority creditors in Section E.

If you need help in completing these stages, local advice agencies can help and if you need to discuss.

**Contact Telephone 0300 300 0222**

## Local Advice Centres

Advice Works & Citizens Advice - They are a free service and they will help with general advice on benefits, fill in claim forms, and advise on a range of welfare benefits and money problems. They can also check that you are receiving all the benefits you may be entitled to. They also provide advice of a wide range of debt-related topics:-

Advice Works - Town Hall, 25 Church St, Johnstone PA5 8FA;  
Tel: 0300 300 1238

Citizens Advice Bureau Sherwood House, 7 Glasgow Rd, Paisley PA1 3QS;  
Tel: 0141 889 2121

**PERSONAL FINANCIAL STATEMENT**

<b>Section A: Income</b>	<b>Weekly</b>	<b>Monthly</b>	<b>Notes</b>
Wages/Salary	£	£	Your normal take home pay, only include overtime if it is regular
Partner's wages/Salary	£	£	
<b>Benefits</b>			Include all benefits except Housing Benefit and Council Tax Benefit
Income Support	£	£	
Job Seekers Allowance	£	£	
Child Benefit	£	£	
Working Tax Credit	£	£	
Child Tax Credit	£	£	
Retirement Pension	£	£	
Works Pension	£	£	
Incapacity Benefit /ESA	£	£	ESA – Employment Support Allowance
Disability Living Allowance (PIP)	£	£	
Non dependent contribution	£	£	Include any money paid by other people who live in your home, Grown up children or relatives
Other	£	£	
Other	£	£	
<b>Total Income</b>	£	£	

<b>Section B: Expenses</b>	<b>Weekly</b>	<b>Monthly</b>	<b>Notes</b>
Rent	£	£	Rent after Housing Benefit
Council Tax	£	£	You will pay this monthly
Water rates	£	£	Water, gas and electricity all accept weekly payments. If your heating bills are high call
Gas	£	£	
Electricity	£	£	
District Heating	£	£	
Contents Insurance	£	£	
Housekeeping and food	£	£	Include food, toiletries, cleaning products and small amount for entertainment Guide: Single person      £30-£40 pw Couple                £50-£70 pw Children              £20-£35 pw
School Meals	£	£	
Appliance rental	£	£	
Tv Licence	£	£	
Traveling expenses, Petrol, bus fares etc	£	£	Include travel to work, school and shopping. If you have a car include tax, petrol, MOT, insurance and repairs
Clothing	£	£	Allow £3-£5 per person
Court fines	£	£	
Health expenses	£	£	
Maintenance Payments	£	£	Include voluntary payments or payments ordered by the Child Support Agency.
Other	£	£	
Other	£	£	
<b>Total expenses</b>	£	£	
<b>Section C: Money you have left</b>		<b>Weekly</b>	<b>Monthly</b>
Your total income (from section A)		£	£
Less total expenses (from section B)		£	£
<b>Money you have left</b>		£	£

If you have no money left then you should contact number below, **At Renfrewshire House, Renfrewshire Council, Cotton Street Paisley or telephone 0300 300 0222** or contact Local Advice Centres for help.

<b>Section D: Priority debts</b>	<b>Amount you owe</b>	<b>Your Weekly payment offer</b>
Rent	£	£
Council Tax	£	£
Gas	£	£
Electricity	£	£
Court Fines	£	£
Maintenance	£	£
Hire Purchase	£	£
Other	£	£
Other	£	£
<b>Total</b>	£	£

**Do you have any money left to pay other, non-priority creditors or credit debts?**

Section E: Money You have left for Credit Debts	Weekly	Monthly
Your Money left at Section C	£	£
Less total priority debts from Section D	£	£
<b>Money you have left for credit debts</b>	£	£

If you have some money left for credit debts:

- Divide it fairly between your creditors on a pro-rata basis;

e.g. 
$$\frac{\text{Amount owed}}{\text{Total amount owed}} \times \text{Money left for creditors}$$

- Don't worry if your offer looks small, Remember, your creditors would rather you pay a small amount regularly than make promises you can't keep.

If you have several creditors, decide how much you can give each one. You won't have to pay the same amount to each creditor. Vary the amount according to the size of debt. The bigger the debt the more you should pay. Write to your creditors with your offer of payment and include a copy of this Personal Financial Statement.

Credit debt	Weekly Payment	Weekly Payment	Monthly Payment
	£	£	£
	£	£	£
	£	£	£
	£	£	£
	£	£	£
	£	£	£
<b>Total</b>			