

Arrears

If you are behind with payments and have received an arrears notice here is some important information to help you.

Don't ignore the problem.

- **Contact the organisation you owe money to.** Let them know you are having problems. They may be able to discuss options for paying back what you owe.
- **Get free help and advice.** Your rights and options depend on the type of agreement, and the law can be complex. You can get free independent help and advice from a number of organisations – see over for details.
- **Pay priority debts first** – for example, mortgage, rent, council tax, or gas or electricity arrears. A debt adviser can help you to budget to keep your finances under control.
- **Think carefully before borrowing money to repay debts.** Get advice before borrowing against your home – you will pay more in the long run and you risk losing your home.
- **You may be able to ask a court for more time to repay a debt** – but only in some circumstances. Speak to a debt adviser before considering court action. Keep copies of letters and emails in case these are needed by the court.

Doing nothing could make things worse.

The lender could take legal action against you, and you could end up paying more in interest and charges. Missed payments could affect your credit rating and make it more difficult to get credit in future.

See over for details of where to get help and advice.

Help and advice

You can contact the following not-for-profit organisations for free, confidential and impartial debt advice, or for details of where to get such advice in your area.

Citizens Advice

For advice and information on debt and other topics, visit your local Citizens Advice Bureau (address in the phone book) or go to www.adviceguide.org.uk (England & Wales), www.cas.org.uk (Scotland) or www.citizensadvice.co.uk (Northern Ireland).

National Debtline

If you live in **England, Wales** or **Scotland** phone **0808 808 4000** or visit www.nationaldebtline.co.uk for debt advice and information.

Advice4DebtNI

If you live in **Northern Ireland** phone **0800 917 4607** or visit www.advice4debtNI.com for debt advice.

Money Advice Scotland

If you live in **Scotland**, phone **0141 572 0237** or visit www.moneyadvicescotland.org.uk to find contact details for debt advice in your local council area.

Consumer Credit Counselling Service

For debt advice **throughout the UK** phone **0800 138 1111** or visit www.cccs.co.uk

Consumer Direct

For a **fuller list of independent advice agencies**, and information about credit and hire agreements, phone **08454 04 05 06** or visit www.consumerdirect.gov.uk

AdviceUK

Member centres offer debt advice to the public, some providing specialist advice for minority ethnic and refugee communities and people with disabilities. For further information phone **0207 469 5700**.

Other useful organisations

Community Legal Advice

If you qualify for legal aid phone **0845 345 4 345** for free advice or visit www.communitylegaladvice.org.uk

Financial Ombudsman Service

If you have a complaint that you can't resolve with your lender, the Financial Ombudsman Service may be able to help – phone **0845 080 1800** or visit www.financial-ombudsman.org.uk

Call **0800 389 3158**

to request this information sheet in a different format.

Default

If you have been sent a default notice threatening action against you here is some important information to help you.

Don't ignore the problem.

There are things you can do and people who can help.

But you need to act NOW!

- **Read the default notice carefully.** It explains what you need to do, and what could happen if you don't respond. If you are not sure what it means, ask the lender or a debt adviser.
- **Get free help and advice.** Your rights and options depend on the type of agreement, and the law can be complex. You can get free independent help and advice from a number of organisations - see over for details.
- **A debt adviser may be able to negotiate on your behalf.** They can suggest ways to deal with the problem and to make sure the most important debts are paid first.
- **You may be able to ask a court for more time to repay a debt** – but only in some circumstances. Speak to a debt adviser before considering court action. Keep copies of letters and emails in case these are needed by the court.

If you don't do something quickly, the lender can take action against you.

For example, by demanding payment of money owing, or repossessing goods on hire-purchase. If the debt is secured against your home, you could lose your home. The default could stay on your credit file for six years, making it more difficult to get credit.

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