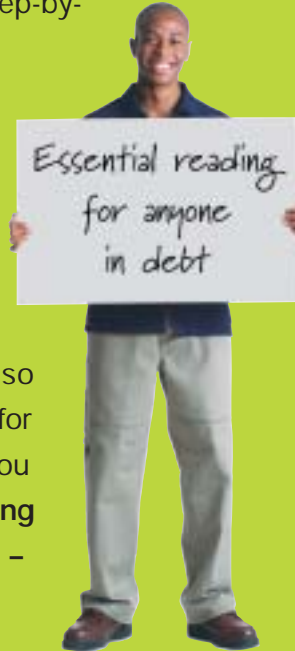


In the modern world it is not unusual for people to find themselves in difficulty due to debt problems – often through no fault of their own.

To help in such situations, Credit Action has produced this self-help guide. It is a practical manual that offers clear, step-by-step advice on all the major difficulties...

- How to prepare a financial statement
- How to prioritise your debts
- How to negotiate with your creditors
- Where you can go for help



This booklet, which is essential reading for people who feel trapped by rising debt, also includes a large number of ready-made letters for copying when writing to creditors. If you feel you need more help the **Consumer Credit Counselling Service (CCCS) free helpline – 0800 138 1111** – is available Mondays to Fridays 8am to 8pm.

“Not many consumers feel confident in managing their money, and yet there are few parts of our lives that carry the same degree of risk if it all goes wrong. These booklets by Credit Action are simply invaluable.”

Ed Mayo

Chief Executive, National Consumer Council

Don't get
down
about debt.
Take action.

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Credit Action is a national money education charity dedicated to helping educate individuals and families in all aspects of money management. Credit Action works in partnership with another charity, Consumer Credit Counselling Service (CCCS), who answer all our helpline calls. CCCS is a charity dedicated to providing confidential, free counselling and money management assistance to financially distressed families and individuals.

Introduction

This booklet is designed to help you deal with personal debt because there are many things you can do to regain control of your financial situation.

Admitting that you are struggling and seeking help is an important first step towards resolving your debt problems. Don't be embarrassed or ashamed to disclose all your debts and financial difficulties because ignoring the problem and not replying to correspondence will only make things worse. Your problems will not go away without specific remedial action.

Here are some *positive* things you can do; most of which are explained in more detail later in this booklet:

- Stay calm and try not to feel guilty or afraid, even when threats are being made. Advice and support is available to guide you through your situation.
- Don't be tempted to borrow more money to pay off existing debts – this eventually creates even more problems – unless first seeking independent advice.
- Make a list of *all* your creditors and debts.
- Prepare a statement of your financial position, detailing your income, living expenses and other commitments, and the balance (if any) available to clear your debts.
- Communicate with your creditors so that they are aware of your situation – they will usually respond sympathetically to genuine problems once they are aware of them.
- Communicate with your family and friends so that you can share your problems and work together towards a solution.
- Communicate with other agencies who can give you specialist advice – they do not charge for their services:

☎ Consumer Credit Counselling Service (CCCS) helpline on 0800 138 1111 (freephone) is available Monday to Friday 8am to 8pm.

Contact your local Citizens Advice (see telephone directory for details).

- Money problems often arise from or lead to family, health or emotional pressures and it is important that you seek professional help for these related problems too.
- KEEP GOING! Don't despair – clearing your debts can be a long process but the end result will be worthwhile and will put you back in control of your financial situation.

We will now look in more detail at the PRACTICAL STEPS you can take to resolve your debt problems.



Step 1

Contact all creditors

Creditors cannot help you unless they are aware of your difficulties and circumstances. You may also need to ask them to confirm full details of the amount owing, actual arrears, penalty charges etc. The following is a typical letter:

Your address

Date

Dear Sirs

Account/Agreement Number

*I am currently experiencing financial difficulties due to.....
and I am therefore unable to maintain the full payment on my account. I am trying to resolve my situation and will send you a financial statement as soon as possible with the best payment offer I can manage.*

Please let me have the following information so that I can draw up a schedule of all my debts and make appropriate offers to my creditors:

Type of agreement (secured/unsecured)

Balance owing

Terms of repayment and interest/penalties accruing

Arrears

Any insurance policy attached to the agreement

I will write to you again as soon as I have received replies from all my creditors.

Yours faithfully

Let your creditors
know of your difficulties



When all the replies have been received draw up a schedule of your debts and divide them between PRIORITY and SECONDARY creditors (see STEP 2 below). It is essential at this stage to mark any debts where court orders (County Court Judgments or CCJs) have been made or a claim form received and seek specialist help as these debts need immediate attention.

Keep copies of all correspondence both sent and received. If any agreements are subsequently made by telephone get the name of the person you spoke to and ensure that the agreement is confirmed in writing.

It is important to check that you are actually responsible for all your debts. A husband and wife are not responsible for each other's debts unless they have both signed the agreement (except for Council Tax), and you cannot inherit a dead person's debts.

You should also check the amount being claimed to ensure all the payments you have made have been deducted, and challenge any excessive interest or penalty charges.

Decide priorities

Some debts carry more severe penalties than others and this means that they must be dealt with first. Priority treatment is not determined by the size of the debt, the period or amount of arrears or the threats being made, but by the actual legal remedy the creditor has against you for recovery. A PRIORITY debt is usually defined as one where non-payment can result in you:

- being imprisoned
- losing your home
- losing essential goods or services.

On the next page is a list of priority debts and the legal consequences of non-payment.

Step 2

Type of debt	Final sanction for non-payment
Mortgage/secured loan	Loss of house
Rent	Eviction
Gas/electricity	Disconnection/fitting of prepayment meter
Water	Since the Water Act, 1999, the supply cannot be disconnected, but we recommend that this is regarded as essential expenditure, and treated as a priority payment.
Council tax	Taken from wages/benefits; bailiffs; imprisonment
CSA/maintenance orders	Taken from wages/benefits; imprisonment
Magistrates fines	Bailiffs; imprisonment
Inland Revenue and VAT	Bailiffs; bankruptcy, imprisonment

PRIORITY creditors must be dealt with before any offers or payments are made on SECONDARY debts. SECONDARY debts are all those which do not carry the above sanctions. For example:

Type of debt	Final sanction for non-payment
Credit/store cards	County Court Judgment
Personal loan (unsecured)	County Court Judgment
Bank loan/overdraft	County Court Judgment
Hire purchase*	Loss of goods
Credit sale	County Court Judgment
Catalogue**	County Court Judgment
Pawnbroker	Keep pledge
Loan shark***	Not legally enforceable unless licensed
Loan from family/friends***	County Court Judgment

* If the threatened goods are an essential requirement, for example a washing machine or car needed for work, such a debt must be treated as priority, but if you have paid less than one third of the total owed under the hire purchase agreement the creditor can repossess the goods without a court order.

** Catalogue debts may be difficult to enforce as it is not always standard practice to complete a formal credit agreement, and creditors should be asked to produce a copy of this if proceedings are threatened.

*** Individual circumstances may suggest some other debts be treated as priority, although not legally enforceable, e.g. money owed to family, friends or loan sharks.

Before you make offers of payment to any creditors you will need to prepare a financial statement – see STEP 3 below.

Prepare financial statement

Step 3

It is essential that you now prepare a statement of your actual current financial position. A specimen is shown on the following page and can be adapted to suit your particular situation. Your statement must include *all* income received from whatever source and *all* money going out and to where. When completing this form use either weekly or monthly figures, but don't mix them and mark clearly on the statement which basis you have used.

- To change weekly figures to monthly, multiply by 52 and then divide by 12.
- To change monthly figures to weekly multiply by 12 and then divide by 52.

Annual payments such as TV licence, road tax, insurance premiums etc. should be divided by 12 to give the monthly amount or by 52 for the weekly figure.

Also allow for irregular, and often unexpected, expenditure such as car and house maintenance, repairs and replacements.

It is important to take everything into account, but don't include payments for arrears or secondary creditors at this stage because you need to know the total money you have available (if any) to make offers to them.

Before finalising your statement you must review your INCOME to see if it can be increased in any way (see STEP 4 page 9) and consider your EXPENDITURE to ascertain if any savings can be made (see STEP 5 page 10).

Your financial statement (see over) will need to be constantly revised to reflect changes in your income and expenditure and to incorporate subsequent agreements for payments to be made to your creditors.



FINANCIAL STATEMENT			
Date prepared			
Name			
Address			
Number of adults in household		Number of children in household	
INCOME weekly/monthly			
	You	Partner	Total
Wages			
Part-time job			
Child Benefit			
Job Seeker's Allowance			
Disability and Sickness Benefit			
Pension			
Child Maintenance paid to you			
Rent or money from lodgers			
Other			
Other			
Total Household Income			
EXPENDITURE weekly/monthly			
PRIORITIES		Amount spent	
Mortgage/Rent/Board			
2nd Mortgage/Secured Loan			
Endowment Policy			
Child Maintenance Paid by You			
Council Tax			
Water Charges			
Electricity			
Gas			
Service Charges/Ground Rent			
Court Fines/County Court Judgments			
Vehicle Finance/Hire Purchase			
Television Licence			
Self Employed			
Income Tax			
National Insurance			
VAT			

LIVING COSTS	
Food and Housekeeping	
School Meals/Meals at Work	
Clothing/Footwear	
Vehicle Running Costs (Tax, Insurance, etc.)	
Petrol/Diesel	
Fares (Bus, Train, etc.)	
Telephone	
Rentals (TV, Video, etc.)	
Prescriptions/Dentist/Optician	
Childminder/Nursery	
School Costs	
Cigarettes/Alcohol	
Life Insurance/Pension/Investments	
Building/Contents Insurance	
Other	
TOTAL HOUSEHOLD COSTS (1)	
TOTAL HOUSEHOLD INCOME (2)	
TOTAL LEFT AFTER TAKING (1) FROM (2)	

Maximise income

Be sure that you have included everything, and then consider if you can obtain any additional income. Possibilities might be:

- Job Seekers Allowance – if you are unemployed or have been made redundant.
- Child Tax Credit and Working Tax Credit – if you have children or if you are working but on a low income.
- Income Support – is available to people on low incomes and who meet certain criteria relating to work, sickness, age, savings etc. Check with your local Department for Work and Pensions (DWP) whether you are entitled to this.

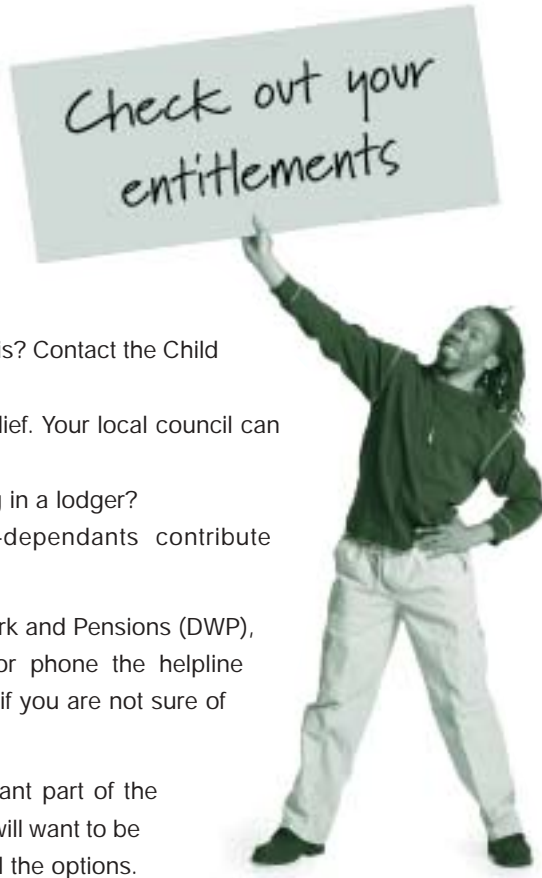


Step 4

- Incapacity or disablement benefits, including mobility or attendance allowance.
- Income Tax – check your code, particularly if your circumstances have changed, as you may be entitled to a rebate.
- Maintenance – are you entitled to this? Contact the Child Support Agency.
- Housing Benefit and Council Tax relief. Your local council can advise on eligibility for these.
- What about part-time work or taking in a lodger?
- Can grown-up children or non-dependants contribute towards the household expenses?

Seek help from the Department for Work and Pensions (DWP), your local council, Inland Revenue or phone the helpline number found in the INTRODUCTION if you are not sure of your entitlement.

Income maximisation is a very important part of the debt resolution process and creditors will want to be reassured that you have considered all the options.



Review expenditure

It is important to include all household expenditure and financial commitments in your statement, whether regular or irregular. Variable items such as fuel bills should be averaged out over the year and the use of budget plans, stamps or tokens may assist with this.

Creditors may challenge amounts spent on food, fuel, clothing, travel etc. so is there any way that you can reduce these to realistic levels in relation to the size and circumstances of your family? The cost of running a car may need to be justified

Step 5

against using public transport. For example, is it essential for travel to work, school, shopping etc. as other means of transport are not available? Leisure and holiday costs may also be challenged by creditors, along with expenditure on cigarettes, alcohol, lottery, pets etc.

Once again check your expenditure carefully to be sure that everything is included and all reasonable savings have been made. Try and make your expenses less than your income, otherwise your debts will continue to grow. However, do be realistic, as you may have to live on this budget for several years, so concentrate on reducing non-essentials rather than basics such as food and heating.

On completion of your income and expenditure review you can now finalise your financial statement before sending it to your creditors as part of your negotiations with them (see STEP 6 below and STEP 7 page 14).

Negotiate with priority creditors

On completion of your financial statement deduct your total expenditure from your total income to see what money (if any) you have towards clearing your debts.

If you are in arrears you will first need to negotiate with your priority creditors (see STEP 2 page 5 for definition) and this should be done quickly to prevent implementation of their sanctions. Even if legal proceedings for recovery have commenced it is never too late to make an offer and seek a voluntary agreement.

List all your priority debts and send this schedule, along with your financial statement, to each priority creditor. This letter should detail the reasons for your financial difficulties and include a reasonable offer for payment of arrears, provided there is surplus money available. A suggested letter is as shown on page 12.

Step 6

Your address
Date

Dear Sirs

Account/Agreement Number

I am experiencing financial difficulties because.....
I enclose a financial statement detailing my current situation together
with a schedule of all my priority creditors.

You will appreciate that it is necessary for me to make an offer to each
of these creditors therefore I am able to pay you £..... per week/month.
If you will confirm your agreement in writing I will commence payments
immediately. Please also advise me of the method and due date for such
payments.

Yours faithfully

When negotiating with your creditors:

- You should not offer all your available income to one creditor.
- Start your negotiations with the debt nearest to its final sanction.
- Don't feel obliged or pressurised to pay more than you can afford, as it is important to sustain the payments once agreed.
- Do not divulge account and reference details to anyone other than the creditor concerned.
- Even if creditors don't agree to your initial offer start paying as it will begin to reduce your arrears and may persuade them to change their minds if they see that you are serious in your intentions.
- Ensure that you get a receipt for all payments made and any verbal agreements must be confirmed in writing.

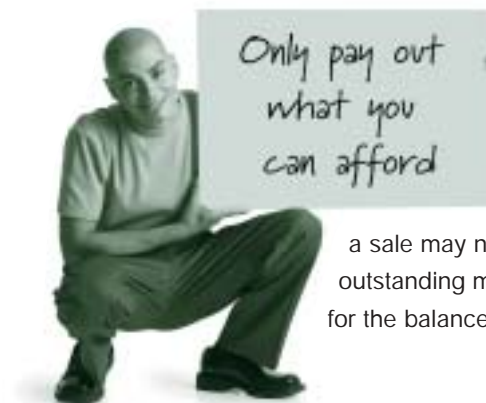
As payment is agreed with each creditor you should include this in your financial statement so that other creditors can see your current situation and you can adjust to living within your new budget.

If you have no surplus income for priority creditors after re-assessing your budget you must still contact them and support your position with your financial statement. You should remember that some creditors have the legal right to make direct deductions from wages or income support via the Department for Work and Pensions (DWP).

For 'fuel' debts, pre-payment meters allow the arrears to be collected over a period of time and are a way of avoiding disconnection.

For mortgages and secured loans the following options should be explored:

- Never abandon your property or hand the keys back to the lender.
- Always contact your mortgage lender at the first sign of a problem and continue to keep them informed of any changes in your circumstances.
- 'Interest only' or other reduced payments for a limited period of time.
- Capitalise the arrears.
- If your financial situation is improving, seek to repay the arrears over an agreed period of time.
- Consider re-mortgaging on a different basis, e.g. transferring from an endowment to a repayment mortgage, but be careful to check and compare terms and conditions, initial and longer-term interest rates, early redemption penalties, administration charges etc.



- Voluntary sale of the home will usually produce a higher price than forced sale after repossession, but consideration must first be given to alternative accommodation as the local authority may decide that you have intentionally made yourself homeless. Such

a sale may not always produce sufficient equity to clear the outstanding mortgage/loan and you may still be legally liable for the balance, even if the lender agreed to the sale.

Step 7

Negotiate with secondary creditors

After agreeing offers of repayment for all your priority debts, your financial statement should be updated to see if you have any disposable income to pay your non-priority debts (see STEP 2 page 5 for definition). The fairest way to divide this amount (if any) amongst the secondary creditors is in proportion to the total amount they are owed. List these remaining debts on a summary sheet (see example overleaf) and add up the total of the secondary debts. The total available disposable income is then apportioned to these creditors by the following method:

$$\frac{\text{Individual debt}}{\text{Total debts}} \times \text{Disposable income} = \text{Offer}$$

The example given below assumes you have £100.00 per month available for all secondary creditors:

SCHEDULE OF SECONDARY CREDITORS		
Name:		
Date:		
CREDITOR	AMOUNT OWED	OFFER (per month)
	£	£
ABC Catalogue	2,000.00	20.00
Northern Loans	3,000.00	30.00
Right Car Finance	1,000.00	10.00
Flexible Credit Card	4,000.00	40.00
TOTAL	10,000.00	100.00

Using the above formula the calculation for the Flexible Credit Card would be:

$$\frac{£4,000.00}{£10,000.00} \times £100.00 = £40.00$$

You may find it helpful to use a calculator to complete this schedule.

Using the figures you have calculated you can make an offer to each secondary creditor. A typical letter is shown below and this should be supported by a copy of the debt schedule and your financial statement.

Your address
Date

Dear Sirs

Account/agreement number:

You will be aware from my earlier letter that I am experiencing financial difficulties due to.....

I enclose a copy of my current financial statement which includes payment of arrears to my priority creditors. I also enclose a schedule of all my secondary debts from which you will see the available money has been apportioned on a pro rata basis.

I ask that you will accept this offer of £..... per month and stop interest or other charges accruing in order that the payments will begin to reduce the debt.

Please confirm your acceptance in writing and advise me how the payments should be made.

Thank you in anticipation.

Yours faithfully

It is important that creditors can see that you have treated each of them fairly so don't be pressurised or threatened into increasing individual offers at the expense of other creditors. There is usually a reluctance to freeze interest and other charges but there is little point in paying if the outstanding balance continues to rise so try writing again as follows:

Your address
Date

Dear Sirs

Account/agreement number

Thank you for accepting my offer of repayment but I am disappointed that you have not agreed to freeze the interest on the account. As you will appreciate, if the interest is not stopped then the balance on the account will continue to rise and I will never be able to repay the debt. I would ask, therefore, that you reconsider your decision and advise me accordingly.

Yours faithfully

If your bank is a secondary creditor it may be necessary to open an account elsewhere if possible and redirect your wages so that you can have access to them. Direct debits will also need to be transferred as the bank may stop paying them.

Start payments as soon as they are agreed in writing with your creditors and remember that **keeping up regular payments is essential**, even if they are small.

If your circumstances deteriorate further and you cannot sustain payments then prepare a revised financial statement, re-calculate your offers in line with your current available disposable income and write to your creditors again explaining the change in your circumstances.

If a creditor will not accept your initial offer you can write to them as follows:

Your address
Date

Dear Sirs

Account/agreement number

Thank you for your letter dated.....

I am sorry that you feel unable to accept my offer. The majority (or all) of my other creditors have accepted and payments to them have commenced. I cannot offer you more as you will see from my financial statement that I have only £..... in total to divide between all my creditors and it would be unfair to favour your company at the expense of others who have agreed to my offer.

Please reconsider your decision in the light of what the other creditors have accepted.

Yours faithfully

Often creditors will agree to reduced payments for a limited period of time, for example three to six months. If your circumstances haven't improved by the end of this period then let them know and continue existing payments. Otherwise prepare an updated financial statement and re-calculate your offers as explained above.

If you have **no disposable income for secondary creditors** then write and inform them explaining your circumstances and sending your financial statement to confirm your situation. Agree to contact them again if your circumstances improve. In the meantime ask them to freeze interest charges. You could ask them to consider writing off the debt or accepting a reduced settlement, although they are unlikely to do so in the early stages. Make a token offer of payment to each creditor of £1 per month. Include the first payment with the letter and continue to make monthly payments. This shows that you want to do what you can to pay what is due. You could write as follows:

Your address
Date

Dear Sirs

Account/agreement number

I am experiencing financial difficulties because.....

I enclose a copy of my financial statement from which you will see that after meeting essential expenditure there is no available income with which I can make you an offer except a token payment of £1 a month as a gesture of goodwill. I enclose the first payment and ask that you send me a payment book.

If my circumstances improve in the future I will contact you again but in the meantime will you freeze the interest charges and consider whether you will write off the debt?

Yours faithfully

The aim of this booklet is to help you avoid court proceedings but what happens if negotiation fails and your creditors resort to legal action? It is not a crime just to owe money and with certain exceptions (see STEP 2 page 5) you can't go to prison if you are unable to pay. Your case will normally be heard in the county court which is not a criminal court. The court is not there to punish you but to ensure fairness between the borrower and lender. So don't be afraid of court action – it can often help solve your problem because you do have some legal rights.

Court proceedings

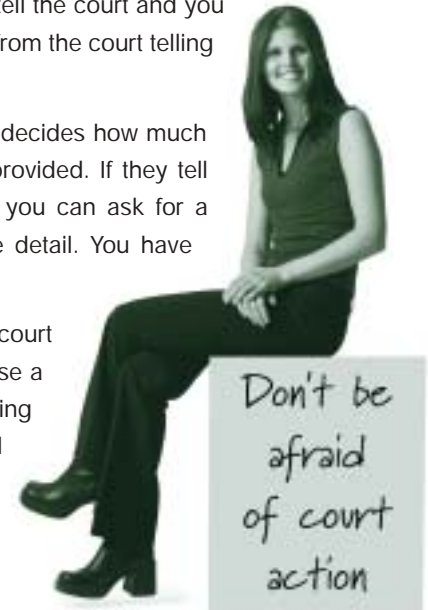
Always complete and return court documents within the specified time so that the court is aware of your problems and overall financial situation and will be able to take these into consideration when making an order.

Always attend court hearings to ensure that your case is properly represented. The case will normally be heard in a private room with officials who are used to dealing with these matters – they are not there to serve the interests of the creditor alone.

It is helpful to be represented in court, but don't worry if you cannot afford a solicitor, just contact your local Citizens Advice who may be able to arrange assistance or refer you to alternative agencies who can assist with court representation. Alternatively, contact the CCCS helpline mentioned in the INTRODUCTION.

If court action is taken against you:

- You will receive a claim form stating what your creditor claims from you.
- If you do owe the money, return the form of reply attached to the claim form to the creditor saying how much you can pay. Complete the financial statement on the back of the claim form and make sure you explain your circumstances fully.
- If you dispute some or all of the debt say why on the form provided.
- If the creditor accepts your offer they will tell the court and you will then get an order (a judgment – CCJ) from the court telling you to pay at the rate you offered.
- If the creditor refuses your offer the court decides how much you pay from the information you have provided. If they tell you to pay more than you have offered you can ask for a hearing to explain your situation in more detail. You have fourteen days to ask for this.
- If necessary, seek advice in dealing with court documents but don't ignore them otherwise a decision will be made without the court being aware of your actual circumstances and financial situation.



- Special considerations apply if the court hearing is for re-possession of or eviction from your home – seek immediate help as there are still things you can do at this stage.

Other aspects of **debt recovery procedures** which you may become involved with are:

Debt collection agencies

Rather than accept your offer of repayment the creditor may refer your account to a debt collector. Do not be pressured, bullied or threatened by them into paying more than you can afford. Stand firm on your offer and refer to the financial statement sent to the creditor. Collectors have no legal right of entry to your home and cannot remove goods. Undue harassment is illegal and should be reported to your local Trading Standards Department.

Bailiffs

If you fail to make payments under a CCJ (England & Wales) or a Decree (Scotland) the court will grant Warrant of Possession Order or Summary Warrant respectively. Bailiffs or Sheriff Officers may be directed by the court to implement the order by removing goods to the value of the debt and costs, dependant upon the administrative actions conducted by the creditor via the court. You do not have to let a bailiff into your home and they cannot break in (unless they have entered previously for that debt). They can legally enter through a door or window that you have left open. Only bailiffs recovering debts owed to the State (e.g. Income Tax and VAT) can force entry to your home. Even at this late stage it may be possible to negotiate satisfactory terms for payment with the bailiff. As an alternative the court can grant an Attachment of Earnings Order to deduct money directly from your wages.



Credit reference agencies

They keep records of some unpaid debts and a register of all county court judgments. Most companies will check with an agency before giving credit. You can obtain a copy of your record from the Agency and if it is wrong it can be corrected and when you pay off a CCJ you can have your record marked accordingly. Full details of these procedures are contained in a free booklet entitled 'No Credit?' which you can get from: No Credit leaflet, PO Box 99, Nelson BB9 8GS. Tel: 0870 4421211.

Magistrates Court

Certain types of debt can be recovered through the Magistrates Court (e.g. council tax arrears and unpaid fines). The procedure will vary but once again you must respond to all court documents and immediately seek professional advice. The magistrates have the ultimate sanction of imprisonment for some debts, although this is only used as a last resort.

Administration Orders

If you have a number of small debts (maximum £5,000 in total) you can apply to the court for an Administration Order. This means that you pay the court one regular amount and they distribute it to the creditors on your behalf, although a small charge is made. A court judgment has to be entered against you before you can apply.

Bankruptcy/Individual Voluntary Arrangement (IVA)

Bankruptcy is a way of dealing with debts, enabling you eventually to make a fresh start and, at the same time, making sure your assets are shared out fairly amongst your creditors. A number of assets are automatically protected under Bankruptcy/Sequestration with the Official Receiver having discretion over others. However, you will probably lose some of your assets, there will be costs involved in the process and restrictions on your future activities so the situation needs very careful consideration and you should seek professional advice before making a decision. Your creditors can also petition for a Bankruptcy Order and, if this is the case you need to seek help immediately.

An IVA is another way of resolving a debt problem. The equivalent in Scottish Law is a Trust Deed. Certain criteria must be met and there are costs involved. You must also have some means of making an offer to creditors. Seek professional advice before embarking on this complex procedure. The best people to see regarding an IVA/Trust Deed would be suitably qualified Insolvency Practitioners, Chartered Accountants or Solicitors. With regards to the way in which assets may be protected in an IVA/Trust Deed we suggest that you discuss this with the Insolvency Practitioner/Chartered Accountant who should be able to advise which assets could be excluded from the arrangement without detriment to the agreement.

Conclusions

The future

The path to clearing your debts, or even avoiding them, may be quite short for some. On the other hand, you could be faced with several years of hardship before you are able to clear them. In either case you need to identify the cause of your problem. Most people fall into debt through no fault of their own. It is often as a result of redundancy or reduced working hours, illness or marriage breakdown. However, it may be that you found using credit cards was too easy or you were unable to resist offers of interest-free credit.

One of the key things to remember is that family pressures will arise. Not only will you have less money, but your stress and anxiety levels are likely to increase. It is important to realise that this is perfectly natural and understandable so please don't be afraid to seek help and medical advice if necessary. Try to keep yourself occupied. You might find it helpful to join a local support group if there is one in your area.

Opposite are a few practical suggestions for saving money and staying out of debt in the future.



Suggestions for saving money

- Only buy on a cash basis – if you can't afford something save up for it.
- When you go to buy something ask yourself whether you really **need** it or just **want** it. Try waiting for thirty days before you buy anything and if you decide you are going to buy it try and obtain one or two quotations to compare prices.
- When you go shopping prepare a list and keep to it.
- Keep your financial statement up to date and live within it.
- Look for ways to improve your income whilst trying to reduce your expenditure.
- Keep your own accounts and always check your bank statement.
- Budget for non-regular bills and expenses. By paying some bills, for example gas and electricity, by direct debit you automatically receive a small discount.
- Educate all members of your family in managing their own finances – you could be preventing much heartache in future years.
- Start a regular savings plan – no matter how small the amount.

REMEMBER – if debts start to build up again seek immediate help before things get too far out of hand.

