



Ten Tips on How to Deal With Debt

1. Don't panic! And don't ignore the problem. It won't go away.
2. Tell your lender if you are having problems repaying your loan. They may be able to change your payments for a while.
3. Pay the important debts first. These include loans secured against an asset (e.g. your mortgage or a car bought on hire purchase or conditional sale), rent, council tax and gas and electricity. If you do not pay these off first, you could be in danger of losing your home or car, having your gas and electricity cut off, or ending up in court and possibly prison.
4. Don't ignore letters from your lenders or court papers.
5. Check your income and see whether you are entitled to any state benefits that you have not already claimed. Log on to www.dwp.gov.uk and check out the 'services and benefits' section. Alternatively, Citizens Advice can advise you at www.adviceguide.org.uk
6. Look carefully at your spending patterns and see if there is anything you are able to cut down on or cut out completely. But don't be over ambitious or you will not stick to it.
7. Work out how much you can realistically afford to pay. Independent advice organisations (details below) offer personal budget sheets to help you manage your repayments in line with your outgoings.
8. Talk to your existing lenders and get independent advice before taking out additional credit or adding to existing credit.
9. Think carefully before taking out a loan to pay off all your debts. If the loan is secured against your home and you fail to pay it, your home could be at risk.
10. Don't pay for advice. Organisations such as Citizens Advice, the Consumer Credit Counselling Service, and National Debtline (details below) provide free, independent and confidential advice. They will help you work out repayments and negotiate with your creditors, and discuss with you how to avoid future debt problems.

Advice Organisations

Citizens Advice

CAB finder: www.citizensadvice.org.uk/index/getadvice.htm#searchbox

Consumer Credit Counselling Service

www.cccs.co.uk
0800 138 1111

National Debtline

www.nationaldebtline.co.uk
0808 8084000

The Finance and Leasing Association (FLA)

is the leading trade association for the consumer credit, asset finance and motor finance industry.

The FLA's Lending Code sets out standards of good practice for the finance and leasing industry. It is intended to reassure anyone who applies for finance from FLA members that they are doing business with reputable organisations. Members will consider cases of financial difficulty sympathetically and positively. Further details of the Lending Code and consumer guidance is available at www.fla.org.uk