

**citizens
advice**

Copeland

Debt Advice Pack

*Information on our debt advice services and
how you can access them. Wherever you are.*



We are Citizens Advice Copeland

We provide **Free, Independent, Confidential** and **Impartial advice** to everyone on their rights and responsibilities for the problems they face, no matter what they may be. We value diversity, promote equality and challenge discrimination.

We're here to help you with a range of issues such as:

- Managing debt
- Benefits
- Household bills
- Energy advice
- Housing problems
- Understanding rights at work
- Hardship relief
- Family/relationships breakdown
- Consumer issues
- Immigration



Find the advice you need in the best way for you

Our advice can be accessed by telephone, email or online

Telephone



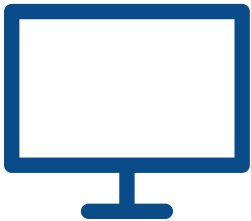
Freephone call 0808 278 7959

A member of our admin team will take your details and arrange a call back from one of our advisors

If our lines are busy you will be transferred to our national Adviceline service.

Monday to Friday (9am – 5pm)

Online



Visit our website

citizensadvicecopeland.org.uk for the most up to date information and updates or visit our social media:



Facebook.com/AdviceinCopeland



copeland_ca

Email



If you prefer to email us please send details of your enquiry and how we can contact you to advice@cacopeland.org

How does our money advice work?

What you can expect from Citizens Advice...

A Citizens Advice debt adviser will help you understand your rights and responsibilities and those of your creditors. Our debt advice service is free, confidential and impartial. If you wish to cancel advice you can do so at no cost to you.

Confidentiality and Consent

The records we keep are for the use of Citizens Advice only. We will not tell anyone about your enquiry and we will not pass any information to any third party without your permission.

Your adviser will:

- Help you to explore your debt problem
- Look for ways to increase your income and reduce your outgoings
- Explain the debt options you have and how they will affect you
- Keep you informed about any action we take and the progress of your enquiry

In return, we ask that you:

- Attend all appointments we arrange for you (or let us know asap if you can't)
- Let us know if there is a change in your circumstances that may affect your case (such as a birth of a child, an increase or reduction in your income etc).
- Provide all the information and the evidence your adviser asks for. e.g. evidence of your income, spending and debts.

Failure to tell us everything may mean our advice is not correct

- Do not negotiate directly with creditors before discussing it with your adviser.
- Do not borrow more money or enter into a new credit agreement.

Please note: -

Wherever possible we will give you the information and resources you need to resolve your own debt problem. If the complexity of the problem, or your personal situation, mean this is not possible, we may be able to provide a casework service.

Trusted Partners....

In some circumstances we may refer you to a trusted partner for further help. This may be within the Citizens Advice service or outside of it. We regularly review all our trusted partners to ensure they meet the highest standards of customer service and quality advice.

Financial Conduct Authority and Complaints

Our debt advice service is authorised and regulated by the Financial Conduct Authority (FCA). If you are not happy with the service provided to you, please follow our complaints procedure. If you are not happy with our final response you can take your complaint to the Financial Ombudsman Service.

Further information can be found at:

 <https://www.financial-ombudsman.org.uk/>

Extra help

Do you need any extra help, for example, sign language, large print or interpreter service? If so, please let your adviser know. If you have any questions about the content of this information sheet, please speak to your adviser.

External assessment

As an organisation, we are committed to achieving the best possible outcome for all individuals who seek our assistance. We strive to maintain the highest possible levels of quality across our service delivery and as such, may seek external endorsement on the quality of our work through the achievement of publicly recognisable quality standards. As part of this external assessment, we are required to make a sample of client files available to an independent Assessor for them to verify the quality of our advice and file management.

External Assessors are required to maintain confidentiality in relation to your file and it is important to note that they are assessing us as an organisation and not you as an Individual. If you would prefer that your file did not form part of this independent assessment, please notify your Adviser of your preference in writing.

What happens if I can't pay my debts?

A 'creditor' is someone you owe money to. This guide tells you what can happen when you have difficulties with your payments and what creditors can do to recover money owed. If you miss a payment, or pay less than you agreed, this could mean that:

- your credit rating is affected for up to 6 years - ***this can make it harder, or more expensive for you to borrow money in future.*** If you've got a payment deferral that has paused or reduced your payments because of the impact of coronavirus, ***this will not directly affect your credit rating,*** but lenders may be able to see that you've deferred and this might make it harder to obtain credit in future.
- your creditor contacts you more often asking you to pay and may ask a debt collector to collect the debt.
- your creditor can still take action and add charges so the amount owed can increase, ***even if you're getting money advice or have agreed to make reduced payments.*** If you're

paying reduced payments and the debt is getting bigger, let your adviser know.

- your creditor takes court action to recover money owed from you.

Don't ignore your creditors

It's important to read letters from your creditors so you know what they're going to do. They are less likely to take action if you get in touch with them.

If you've had no contact with your creditors for a few years, please let your adviser know so they can check whether any time limits may apply

Priority and non priority debts

The action a creditor can take depends on the type of money that's owed.

Debts are usually split into two categories; **priority** and **non-priority**.

A debt is a **priority debt** if the creditor can take particularly serious action, such as taking possession of your home, disconnecting essential services or having you sent to prison.

Non-priority debts are generally less serious. Creditors can take county court action to get a County Court Judgment (CCJ) that orders you to pay. In some cases, a non-priority debt might have unusually serious consequences for you, for example:

- if you're behind in your childcare costs
- if deductions from your benefits are unusually high
- you owe money to family or friends or there's a guarantor loan and this could cause you personal problems

This information covers England and Wales and is up to date at December 2020. Version 1.6. For further information go to:



<https://www.citizensadvice.org.uk/debt-and-money/>

Please talk to your adviser as this could be given a higher priority than your other non priority debts.

Priority debts - what your creditor can do

<p>Mortgage or secured loan arrears Take you to court to repossess your home. Register default on your credit file.</p>	<p>Rent arrears Take you to court to repossess your home. Some landlords may register default on your credit file.</p>
<p>Council tax arrears Take money from your benefits or wages. Use bailiffs to take your goods to sell. Secure the debt on your home. Make you bankrupt. As a last resort, have you sent to prison (England only).</p>	<p>Gas and electricity arrears (current suppliers) Deduct money from ongoing benefits. Install a prepayment meter. As a last resort, disconnect your supply. Register default on your credit file.</p>
<p>Child support or child maintenance arrears Take money from your benefits, wages or bank account without a court order. Get a liability order which allows them to: Use bailiffs to take your goods to sell. Use the county court to secure the debt on your home, this will affect your credit rating. Ask the magistrates' court to remove your driving license or passport. As a last resort, have you sent to prison.</p>	<p>Income tax arrears, class 2 and class 4 NI contributions Use bailiffs to take your goods without a court order. Take money from a bank account if you have over £5,000 in your account. Adjust your tax code to recover from your wages. Apply to make you bankrupt. As a last resort, have you sent to prison.</p>
<p>Telephone, mobile phone or telecom package arrears (essential services) Disconnect the service. Take court action to recover the balance. Register default on your credit file.</p>	<p>Hire purchase, Personal Contract Purchase (PCP) or conditional sale (essential goods) Repossess the goods. If you've paid more than 1/3 of the total or the goods are on private property, they need a court order to do this. Register default on your credit file.</p>
<p>Bill of Sale arrears (essential goods) Repossess goods without a court order.</p>	<p>TV license - if you don't have one or it's in arrears Issue a fine - see Magistrates' Court Fines</p>

Magistrates' Court fines

Deduct money from your benefits or wages. Use bailiffs to take your goods. Make a clamping order. Make an order for supervision, short local detention or unpaid work. Recover in the high court or county court. As a last resort, have you sent to prison.

Tax credit overpayments

Deduct money from your benefits or wages without a court order. Collect the money as a tax debt - see Income Tax. As a last resort have you sent to prison. If the HMRC have passed the debt to the DWP to collect, this will be treated as a benefit overpayment, see below.

Fixed penalty notices for crimes like littering, speeding, or keeping an uninsured vehicle - this doesn't include parking penalties issued by a local authority Prosecute you for the offence. In some cases register the fixed penalty notice as a fine - see **Magistrates' Court fine above**.

Non Priority debts - what your creditor can do

Most creditors will register default on your credit file making it harder to get credit

Credit cards, store cards and overdrafts

Take you to the County Court to get a CCJ.

Unsecured, guarantor and payday loans

Take you to the County Court to get a CCJ. Where applicable, ask the guarantor to pay.

Catalogues and mail order debts

Take you to the County Court to get a CCJ.

Personal debts, eg friends and family

Take you to the County Court to get a CCJ.

Benefit overpayments, social fund loan, Universal Credit Advance Payment

Deduct money from ongoing benefits or wages without a court order. If you're not working or receiving benefits, take you to the County Court to get a CCJ.

Non criminal penalty charges like:

- NHS penalties
- parking penalties
- penalty fares

(but not parking fines issued in the **Magistrates' Court** - these are priority debts) Take you to the County Court or Traffic Enforcement Centre (TEC) to get a CCJ.

Water charge arrears

Deduct money from ongoing benefit. For UC deductions the arrears must be to your current supplier. For other benefits deductions can be made where 6 months arrears or more is due to current or previous supplier. Take you to the County Court to get a CCJ. Transfer to the High Court to ask High Court bailiffs to take your goods. High Court fees are higher than County Court fees.

Non essential goods and services:

Hire purchase: Repossess the goods. If you've paid more than 1/3 of the total or the goods are on private property, they need a court order to do this.

Telephone, mobile phone or telecom package arrears: Disconnect the service. Take you to the County Court to get a CCJ for any money outstanding.

County Court Judgments (CCJs)

If your creditor gets a CCJ against you this will be registered on your credit file for 6 years and **might make it harder for you to get credit**. If you don't pay, your creditor can ask the court to:

- take money from your wages
- take money from a bank account
- ask bailiffs to take and sell goods to repay the money
- secure the debt on your property - **this is called a 'charging order'**. For CCJs issued after 1 October 2012, **creditors can do this even if you haven't missed a payment under the CCJ**. If the creditor has a charging order, as a last resort, the court can make an order for the sale of your property
- the creditor may ask you to provide information, under oath, about your financial circumstances
- creditors could try to make you bankrupt if you owe them more than £5,000 which could have a serious effect on you, for example, if you own your home.

Don't ignore any court forms or letters from a court

If you receive any forms, notices or letters from a **Magistrates', County Court or High Court**, for example, a statutory demand, please contact your adviser immediately as there could be a time limit involved.

Making the most of your money

Tips on how you can increase your income and reduce your spending

✓	Ways you can increase your income	The website address
	Check you're claiming all the benefits and tax credits you're entitled to	www.citizensadvice.org.uk/benefits/benefits-introduction/what-benefits-can-i-get
	Check whether you're able to claim disability or ill health benefits	www.citizensadvice.org.uk/benefits/sick-or-disabled-people-and-carers/
	Check whether you're able to apply for a grant from a charity or benevolent fund	grants-search.turn2us.org.uk/
	Check whether you can get a tax refund or claim any tax allowances	www.gov.uk/claim-tax-refund www.citizensadvice.org.uk/debt-and-money/tax/income-tax-how-much-should-you-pay/income-tax-allowances-and-amounts
	Find out how to go about claiming child maintenance	www.citizensadvice.org.uk/family/children-and-young-people/child-maintenance1/
	Check to see if you can get any help with school costs?	www.citizensadvice.org.uk/family/education/school-education/help-with-school-costs cumbria.gov.uk/childrenservices/schoolsandlearning/freeschoolmeals.asp - apply for free school meals and clothing vouchers
	Can you sell items you own? You could use websites like Ebay , Gumtree or Cex ? Try to shop around to make sure you achieve the best price possible.	www.ebay.co.uk www.gumtree.com uk.webuy.com

✓	Ways you can increase your income	The website address
	Can you find a job or increase your hours? Estimate your tax to find out how your income could change and check how this change will affect any benefits you receive	www.gov.uk/estimate-income-tax www.citizensadvice.org.uk/benefits/benefits-introduction/what-benefits-can-i-get
	If you're over the age of 55 you could access your pension pot. <i>You should get independent information and advice before taking any money from your pension pot.</i> Free independent guidance is available from Pension Wise	www.citizensadvice.org.uk/debt-and-money/pensions/nearing-retirement/what-you-can-do-with-your-pension-pot <i>(for independent information about when you can access your pot, your options available and how this could affect you)</i> www.pensionwise.gov.uk <i>(free guidance)</i>
	Could you rent out a spare room to a lodger? Consider how this could affect you first.	www.citizensadvice.org.uk/housing/renting-a-home/subletting-and-lodging/lodging/taking-in-a-lodger-what-you-need-to-think-about-first
	Are you eligible for help with savings if you're on a low income?	www.gov.uk/get-help-savings-low-income
	Can you claim compensation for an injury? Do you have any other possible claims? Are you about to receive payments from a redundancy or backdated benefit?	https://www.citizensadvice.org.uk/law-and-courts/personal-injuries/ If you're not sure, please talk to your adviser.
	Can those who are staying with you help by contributing to your bills?	

Cutting down on your bills and spending

✓	Ways you can reduce your spending	The website address
Housing and council tax		
	Can you cut down your mortgage costs	www.citizensadvice.org.uk/debt-and-money/mortgage-problems/how-to-sort-out-your-mortgage-problems/cutting-down-your-mortgage-costs
	Can you reduce your rent costs? This includes help from your local authority's Discretionary Housing Payment scheme	www.citizensadvice.org.uk/housing/renting-privately/private-renting/get-help-with-renting-costs www.copeland.gov.uk/discretionary-housing-payments
	Are you able to access help with your council tax bill that could either reduce the bill or help you to pay this? Ask your adviser for more information.	www.moneyadviceservice.org.uk/en/articles/how-to-save-money-on-your-council-tax-bill www.citizensadvice.org.uk/benefits/help-if-on-a-low-income/help-with-your-council-tax-council-tax-reduction/council-tax-reduction-what-you-need-to-know
	You can ask your local authority to spread the cost of your council tax over 12 months instead of 10	www.gov.uk/find-local-council OR www.copeland.gov.uk/council-tax
Gas Electricity and water		
	Are you paying the best rate? Could you claim any grants or discounts?	www.citizensadvice.org.uk/consumer/energy/energy-supply/get-a-better-energy-deal/save-money-on-your-gas-and-electricity
	Can you use less energy or make your home more energy efficient?	www.moneysavingexpert.com/energy www.energysavingtrust.org.uk/home-energy-efficiency
	Are you entitled to receive extra support from your energy supplier?	www.citizensadvice.org.uk/consumer/energy/energy-supply/get-help-paying-your-bills/getting-extra-support-from-your-energy-supplier

✓	Ways you can reduce your spending	The website address
	<p>Check to see if you can save money changing to a water meter. Also check for other ways of reducing your water costs</p>	<p>ccwater.custhelp.com (water metercalculator)</p> <p>www.citizensadvice.org.uk/consumer/water/water-supply/problems-with-paying-your-water-bill/help-with-paying-your-water-bills</p> <p>www.unitedutilities.com/my-account/all-about-water-meters/</p> <p>www.unitedutilities.com/my-account/your-bill/difficulty-paying-your-bill/</p>
Insurance		
	<p>Shop around for the best insurance deals for all of your insurance; including your house (building and contents), life, car, travel and health</p>	<p>www.moneysavingexpert.com/insurance</p>
	<p>Review your policies to see if you still need them or check whether they provide more cover than you need</p>	
Landline, TV, internet and mobiles		
	<p>Consider whether you can switch your telephone, TV, internet or mobile provider for a better deal? There's information on the money saving expert website too.</p>	<p>www.citizensadvice.org.uk/consumer/phone-internet-downloads-or-tv/switch-broadband-phone-or-tv-provider</p> <p>www.moneysavingexpert.com/utilities</p>
Travel		
	<p>Check whether you can get help with travel costs for NHS treatment</p>	<p>https://www.citizensadvice.org.uk/health/help-with-health-costs/help-with-health-costs/#h-helpwith-travel-costs-for-nhs-treatment</p>
	<p>If you travel by train, can you get a railcard or a refund for a cancelled or late train? Can you split your train ticket to save money?</p>	<p>www.railcard.co.uk</p> <p>www.citizensadvice.org.uk/consumer/holiday-cancellations-and-compensation/getting-a-refund-for-a-cancelled-or-delayed-train</p> <p>www.moneysavingexpert.com/travel/cheap-train-tickets</p>

✓	Ways you can reduce your spending	The website address
	There may be ways you can reduce the cost of travel if <u>you're disabled</u>	www.citizensadvice.org.uk/benefits/sick-or-disabled-people-and-carers/help-for-disabled-travellers1/help-with-transport-costs/help-with-the-cost-of-transport-if-youre-disabled
	Look for other ways to reduce your travel costs, like searching locally for cheap fuel, use bus passes or travel cards, travel off peak, car share, or travel by bicycle or walk	www.moneyadviceservice.org.uk/en/articles/cut-your-car-and-train-costs www.moneysavingexpert.com/travel
Health		
	See whether you can get help with health costs; like prescription costs, dental treatments and sight tests	https://www.citizensadvice.org.uk/health/help-with-health-costs/help-with-health-costs/#h-health-costs-for-which-you-can-get-help
	Check if you can get free vouchers every week to spend on milk, formula, fresh or frozen fruit and vegetables	https://www.healthystart.nhs.uk/
Budgeting		
	Use budgeting tools, planners and guides, including calculators that help you plan for life changes, such as saving, planning for a baby or retirement, or planning for Christmas	www.citizensadvice.org.uk/debt-and-money/budgeting/budgeting/work-out-your-budget www.moneyadviceservice.org.uk/en/categories/budgeting-and-managing-money www.moneysavingexpert.com/banking/Budget-planning www.moneyadviceservice.org.uk/en/categories/tools-and-calculators
	There's also information about shopping smarter, cutting costs and using life hacks to save money	www.moneysavingexpert.com/shopping www.moneyadviceservice.org.uk/en/categories/cutting-costs www.moneysavingexpert.com/family/life-hacks

✓	Ways you can reduce your spending	The website address
Impartial and free sources of information		
	<p>There are lots of other tips on saving money such as; buying own brands in the supermarket, entertain at home, cook rather than take away plus more, on these independent websites. There's also lots of information available to help you keep track of your money, shop around, pay less and get help if things go wrong. The web links referred to in this factsheet are all free sources of information.</p>	<p>www.moneyadviceservice.org.uk www.moneysavingexpert.com www.which.co.uk/money www.citizensadvice.org.uk www.citizensadvice.org.uk/consumer/get-more-help/if-you-need-more-help-about-a-consumer-issue</p>

Book a telephone appointment please call or email:

Copeland **0808 278 7959**

Email **advice@cacopeland.org**

You can also find us on social media



[AdviceinCopeland](https://www.facebook.com/AdviceinCopeland)



[copeland_ca](https://twitter.com/copeland_ca)

