

Debt Help Guide

from Consumer Credit Counselling Service

If you, like so many others in the UK, are experiencing debt problems, having trouble balancing your budget, or even falling behind on your monthly payments Debt help is available, and it doesn't have to cost you a thing! Charities like the Consumer Credit Counselling Service (CCCS) can help you get the free [debt advice](#) you need.

Take these First Steps to Becoming Debt-Free

- Get free, professional debt counselling
- Cut up your credit cards
- Don't extend your overdraft
- Never take out any loans secured against your property
- Start regaining control of your finances

Start Getting Your Finances in Order

You can improve your financial situation dramatically by budgeting, increasing your income and shopping around for the best prices.

Your Budget

You need to know exactly where your money is going each month.

Make a list of all your income. Work out your monthly expenses, including rent or mortgage, utility bills, food shopping, transport and miscellaneous expenses.

Take your expenses from your income and work out if you have anything left over. If you are short of the money you need, you'll need to cut back on what you're spending or increase your income.

Cut back your spending

Once you've identified how much you spend each month, ask yourself if there is anything you can cut back on.

- Can you get a better deal on your utilities or insurances?
- Are you paying for services you don't use, such as a landline phone or unlimited text messaging?
- Can you switch to own-brand products to save some money?
- It's easy to overspend with a credit or debit card, so try using only cash for a month. Restricting yourself to just the money in your pocket will make you more aware of how much you're spending, and you will think twice before making an unnecessary purchase.

Bring in More Money

While easier said than done, increasing your income can help get you out of debt quicker. Here are some ideas you could try:

- Work more hours. Talk to your boss about working overtime or holidays.

- Take a second job. Can you fit in some weekend or evening work? Online freelance work can be a great solution and there are many opportunities for those with flexible schedules.
- Claim your entitlements. Make sure you are claiming all the benefits and tax credits you are entitled to.

Every little bit counts and can get you closer to becoming debt-free.

For more **free help** with money management, visit [CCCS Debt Remedy](#). This is an **anonymous** online debt counselling service that will ask you some simple questions and give you a personalised budget and advice tailored to your needs.

When You Need More Than a “Simple” Solution...

For some people, better money management just isn't enough to get them out of debt. If you feel you need a more formal debt solution, seek free advice from an impartial debt counsellor. There are a range of debt solutions to choose from, however a professional debt counsellor can help you find the one that is right for **you**.

Take a look at some of the options available to you:

Individual Voluntary Arrangement

The individual voluntary arrangement (IVA) is a legal agreement for those owing more than £15,000. It is negotiated by an Insolvency Practitioner, and usually involves a reduced and affordable monthly payment towards your debts over a period of five years. Sometimes there may also be a lump-sum to pay. After the five-year period, your remaining debt will be written off.

Note that an IVA can only be put into action if the creditors holding at least 75% of your debt agree to the repayment plan.

Debt Management Plan

A debt management plan, or DMP, is a programme of reduced monthly payments towards your debts. A third party will negotiate with your creditors, and you will pay a single, affordable monthly amount. You pay this amount to the third party, who will then distribute it amongst your creditors.

There are many debt management companies in the market that charge fees for their DMPs – sometimes as much as £5,000. Do not be fooled into paying for a debt management plan. Charities like CCCS offer DMPs at **no charge!**

Filing for Bankruptcy

To qualify for bankruptcy you must:

- Owe more money than you own in assets, such as property and vehicles.
- Be unable to repay the debts within a reasonable time frame.

It is important to get professional debt advice and consider this option very carefully. While going bankrupt will write off your unsecured debts, it may affect your property, business or employment, and will most certainly affect your credit rating.

Get Free Help Now!

The sooner you get professional debt help, the sooner you can be debt-free. Get in touch with a free debt help provider, such as CCCS (www.cccs.co.uk).