

1 Action Plan

1.1 Interview date

2021-10-15

1.2 Actions Taken In Appointment

Debt/Issue	Action
SFS	completed
Advice given on debt options	Completed

1.3 Client next steps

Debt/Issue	Action	By When
DMP	Approach PayPlan/StepChange to set up a DMP	ASAP

1.4 Advisor Next Steps

Debt/Issue	Action	By When
No further steps for adviser		

1.5 Preliminaries

1.5.1 Do you require an interpreter or Language Line Services?

No

1.5.2 Do you have a Support Worker who attended the appointment? – Yes / No

No

1.5.3 Do you have any Accessibility needs

No

1.6 Client Identification

1.6.1 Name

Mr X

1.6.2 Address

South Somerset

1.6.3 Case number

CL-00000000

1.6.4 Photo ID Provided?

Yes

1.6.5 what ID

The photo ID that the client provided was driving licence

This confirmed the client's identity

1.7 Client Goal

1.7.1 What is your goal regarding your debts and money management?

Client and partner have welcomed new son in April 2021. Client has finished work and he will be the full time carer for his son once his partner has returned to work.

Client has several non priority debts which he has been meeting the minimum payments for.

Client wishes to pursue all income maximisation options

Client would like to be advised about strategies to deal with his debts as he has had a change of circumstances (reduction in income)

1.7.2 What does the client want from the advice session?

General advice on debt options

2 Exploration of Facts

2.1 Emergency/Urgent Issues

2.1.1 Details

Yes = that you have an urgent issue which we advised you about and addressed at the appointment

2.1.2 Details

The client confirmed that they have an eviction date on:

2.1.3 Details

The client confirmed that they are due to be disconnected on:

2.1.4 Details

The client confirmed that they have a possession hearing on:

2.1.5 Details

The client confirmed that they have a court date on:

2.1.6 Details

The client confirmed that they are being threatened with committal on:

2.2 Health

2.2.1 Do you have any of the following health conditions? – tick all that apply.

No health conditions

2.3 Personal Situation

2.3.1 What is your immigration status?

British Citizen

2.4 Housing Status

2.4.1 Client's Housing Status

Private Tenant

2.4.2 When did you move into the property?

August 2019

2.4.3 Who is your landlord?

As the client is renting their property, they said that their landlord is: Mr Bloggs

2.4.4 What type of tenancy do you have?

Assured Shorthold Tenancy (private tenant)

2.4.5 Details

They have an Assured Shorthold Tenancy with their private landlord.

2.4.6 How many bedrooms do you have?

1

2.4.7 Is your tenancy at risk?

Yes

2.4.8 Details

They confirmed that their tenancy is at risk.

2.4.9 How much is your total rent?

The client confirmed that their total rent is £515

2.4.10 How much Housing Benefit / Local Housing Allowance / UC Housing Costs do you get?

The client confirmed that they receive £0 for Housing Benefit / Local Housing Allowance / UC Housing Costs.

2.4.11 Are you subject to the under-occupation charge (bedroom tax)?

No

2.4.12 Details

B. If no = The client confirmed that they do not have to pay the under-occupation charge (bedroom tax).

2.5 Reason for Financial Difficulties

2.5.1 Do you think their current financial and personal situation is stable or unstable?

Unstable

2.5.2 What are the main reasons for their current financial difficulties? (tick all that apply)

Loss of job

Low income

Difficulties budgeting

New child

2.5.3 Are the difficulties likely to be long term or temporary?

Long Term

2.5.4 Why are the difficulties long term?

Unlikely to return to work

2.5.5 Is their situation likely to get better, get worse or stay the same? – Get better / Get worse / Stay the same

Get better

2.5.6 Situation will improve because?
Benefits/Income likely to increase

2.6 Previous Actions

2.6.1 Are you new or returning to the debt advice service?
they have received debt advice before

2.6.2 Details

they have received debt advice before from a different debt advice provider

What has happened/changed since the last case was closed? The client had an IVA between 2012 and 2017. He was made homeless and lost his job in 2017

2.6.3 What actions have you taken so far about their debts?

Paying minimum payments on cards

Sought advice from us

2.6.4 Have you had any formal insolvency options (DRO, IVA, bankruptcy etc.) before?
Yes

2.6.5 Insolvency Details

They have had a formal insolvency option before which was:

IVA 2012-2017 but had a change of circumstances due to homeless and loss of job in 2017

2.7 Income Details

2.7.1 Details

The client confirmed that they were working and so they provided the following information:

The client works XXX hours per week.

The client earns £XXX

The client receives £XXX bonus or overtime.

The client has worked for their employer for:

2.7.2 Details

The client confirmed that they were in receipt of benefits and so they provided the following information that:

they are in receipt of:

The client confirmed that they are in:

2.8 Savings & Assets Details

2.8.1 Does the client have any assets or savings?

2.8.1.1

Equity in home

2.8.1.1.1 Equity in home yes/no

No

2.8.1.2

Savings

2.8.1.2.1 Savings yes/no

No

2.8.1.3

Vehicle

2.8.1.3.1 Vehicle yes/no

Yes

2.8.1.3.2 Vehicle details

Vehicle is on HP with agreement taken out in September 2020.

4 year agreement - CMI £240pcm

Total cost of credit - £14,000

Motorbike on HP

2 year agreement started in July 2020 - CMI £111.27 pcm

Total cost of credit - £2400

2.8.1.3.3

Pension Fund

2.8.1.3.4

Compensation

2.8.1.3.5

Backdate of Benefits

2.8.1.3.6

Redundancy Payment

2.8.1.3.7

Pending insurance/PPI claim

2.8.1.3.8

Other Assets

3 Income Maximisation

3.1 Financial Capability & Income Maximisation

3.1.1 Tax Code & Benefit Checks

3.1.1.1 Do you need a Tax Code check?

Yes

3.1.1.2 Details

concluded that the client was suitable for a tax code check and so carried this out.

3.1.1.3 What is the Tax Code?

The adviser carried out the Tax Code check and the client's tax code is: 1257L

However client may be due a tax refund due to finishing full time job. Advised client to follow the process on the MoneyHelper website here:

<https://www.moneyhelper.org.uk/en/work/losing-your-job/claiming-your-tax-rebate-after-losing-your-job>

3.1.1.4 Is the Tax Code right?

Yes

3.1.1.5 Details

The adviser confirmed that the Tax Code was correct, and no further action was required.

3.1.1.6 Benefit check carried out

Yes

3.1.1.7

The client was advised on Income Maximisation and Financial Capability. Client was provided with our Booklet called Managing Your Money and the relevant sections which were highlighted for their reference in addition to advice being provided:

3.1.2 Is their bank account at risk and you need information about basic bank accounts?

No

3.1.3 Details

We considered if the client's bank account was at risk and whether they needed information on basic bank accounts and the client's bank account was not at risk and so no further information was required.

3.1.4 Do you have any entitlement to child maintenance that is not being received?

N/A

3.1.5 Details

this is not applicable to them as they do not have any children eligible for child maintenance payments.

3.1.6 Do you have any entitlement to Marriage Allowance that is not being received?

N/A

3.1.7 Details

this is not applicable to them as they are not eligible for Marriage Allowance.

3.1.8 Do you have any entitlement to help with Council Tax that is not being received? (tick all that apply)

No

3.1.9 Details

We advised the client that they may be entitled to a Single Person Discount of 25% reduction in their Council Tax bill. This is because they are the only person over 18 in their home. We advised the client that they will need their council tax number to apply and to contact their local authority as soon as possible.

3.1.10 Details

We advised the client that due to the adaptations at their property because of their health condition, they may be entitled to a reduction in their council Tax of 1 band. As the client lives in the property as their own home, they need to have either an extra bedroom or kitchen for the use of the person with the health condition, a room for a special purpose or extra space for wheelchair use. A council inspector will visit the property to check that the criteria has been met.

3.1.11 Details

We advised the client that due to their mental health condition, they may not be required to pay council tax. This is called Severe Mental Impairment and as such they do not count on a council tax bill and so if they live in a couple then their partner could be entitled to a Single Person Discount of 25% reduction in the Council Tax bill. We advised the client that they will need their council tax number to apply and to contact their local authority as soon as possible.

3.1.12 Details

No further assistance as the client is receiving all of their entitlement.

3.1.13 Details

No assistance as the client is not liable for Council Tax.

3.1.14 Details

they are not entitled to Support for Mortgage Interest because they have not received a qualifying benefit for 39 weeks.

3.1.15 PIP

Not Applicable

3.1.16 Does the client require advice about Budgeting and Saving?

Yes

3.1.17 Details

concluded that the client does require budgeting and saving advice. We advised the client that Budgeting is important because it helps to see what money is coming in? to see what money is going out? to pay essential bills on time? to work out payments to any debts and plan any future spending.

We advised that the first stage is to work out a personal budget. We completed this during the appointment and provided the client with a copy of a budget sheet.

We advised that if the client cannot afford to pay their existing debts, taking out more credit will often make the situation worse. It might mean missing payments on their on-going household bills and other debts. It could make it harder to negotiate with their creditors, and can cause problems with some debt options, so we told them to think very carefully before doing this. We said that their personal budget will tell them if they have enough money left over to pay the monthly payments.

We said that it is a good idea to save some money each month if possible. This helps someone to plan ahead. We said that it can be hard to stick to repaying any debts, or essential bills, when an important expense needs paying. This could be that the car needs fixing, or an urgent house repair. We advised that they could spread out these payments, and make budgeting much less stressful, if they regularly put a bit of money aside to pay for expenses such as these.

We continued and said that other costs come up occasionally, such as MOTs, birthdays and Christmas. It is important to save regularly for these things, so the money is there when needed. We advised to set aside a monthly amount in the personal budget for these sorts of costs.

We directed the client to the money advice service website at <https://www.moneyadvice.service.org.uk/en/categories/budgeting-and-managing-money> for more budgeting and saving tips.

3.1.18 Does the client require advice about their TV Licence?

No

3.1.19 Details

concluded that the client does not require any advice on their TV Licence as they have sufficient available budget to manage the payments at their current payment arrangement.

3.1.20 Does the client require advice about Switching Energy Supplier?

Yes

3.1.21 Details

concluded that the client requires advice on switching their energy suppliers. We advised that it is very important to budget for gas and electricity bills. We advised that the client's energy company should offer different payment options and budgeting schemes to suit them. We said that they can ask to pay their bills every week, every two weeks, or every month.

We advised that if the client's heating bills are very high, they should contact the Energy Saving Trust website www.energysavingtrust.org.uk to get information on grants, help with energy costs and how to save money on heating bills. We also advised that as they live in England or Wales, they can call the Energy Saving Advice Service on 0300 123 1234.

We advised that the client may be able to get a grant or a loan to help with insulation, draught proofing, central heating and other energy-saving measures. We recommended that they contact the Centre for Sustainable Energy helpline for further information on this and any grants available. Their number is 0117 934 1400.

We noted that some energy companies offer energy-saving schemes and discounts. Energy companies may also help with cheap fridge-freezers or light bulbs. We advised the client to check with their supplier.

Our main focus was that the client might be able to save some money by switching to another supplier. This may work out cheaper, particularly if they have both gas and electricity from the same supplier. If they owe money, they may not be accepted by a new supplier, but they should be allowed to switch if they have a pre-payment meter and owe less than £500. We said that there are a number of independent internet price comparison sites that can help them find the best deal.

We advised that if they already get the Warm Home Discount, they should check that they will keep this with any new supplier.

We said that some energy companies have set up trust funds that may be able to help people pay their energy bills if they are in financial difficulties. We advised the client to ask their energy company if they run a scheme. We advised the client that they can also download a guide called "Find a Scheme" that can help you with their water and energy bills from the Auriga Services Ltd website www.aurigaservices.co.uk.

3.1.22 Does the client require advice about Warm Home Discount?

Yes

3.1.23 Details

concluded that the client would benefit from advice about the Warm Home Discount. We advised that they could get £140 off their electricity bill for winter. We said that the money isn't paid to them - it's an annual one-off discount on their electricity bill, between September and March. We said that they may be able to get the discount on their gas bill instead if their supplier provides them with both gas and electricity. We told them to contact their supplier to find out. We advised that the discount won't affect their Cold Weather Payment or Winter Fuel Payment.

3.1.24 Does the client require advice about Crisis Fund application

No

3.1.25 Details

concluded that the client does not require any advice on the Crisis Fund payments as they are not experiencing a crisis that would qualify for a payment from their local authority.

3.1.26 Does the client require advice about Downsize/Lodger?

No

3.1.27 Details

concluded that the client does not require any advice on downsizing or taking in a lodger as they are not subject to any under-occupation charge.

3.1.28 Does the client require advice about Best Deals - Phone Calls?

Yes

3.1.29 Details

concluded that the client would benefit from advice about best deals on their phone. We advised the client to check their phone contract as if they are not tied into a fixed term then they may be able to make savings if they switch phone companies, for both landline and mobile phone.

We advised that even if the client does not want to change their phone company, there are other ways to cut down on their phone bills. The first is to pay by direct debit. The client could also talk for free using software such as Facetime, Skype, Viber or WhatsApp, so long as they use wi-fi. We advised the client to check their contract as there may be extras like voicemail or an "unlimited package" that they do not need and are being charged for. We advised the client to ask if their phone company has a social tariff. This may be helpful for people on certain benefits and only use their phone occasionally.

We advised the client to see if they can switch to paperless billing as this could save some money. We advised the client that if they use directory enquiries, re-dial on the number they have found for them, instead of asking them to transfer the call.

We advised the client that if they have a bill that they cannot afford to pay and they want to keep the phone line, ask their phone company if they can pay by instalments. The phone company may be more likely to agree if the client sets up a monthly payment plan, perhaps by direct debit. They may also agree to let the client have only incoming calls for a short time to help reduce bills. When the arrears have been cleared, the client may then be able to go back to their normal phone package.

3.1.30 Does the client require advice about Best Deals - Broadband?

Yes

3.1.31 Details

concluded that the client would benefit from advice about their broadband costs. We advised that there are lots of companies offering broadband so shop around for the best deal. We advised that the client usually also must pay for line rental, and many companies offer digital television packages too. Check to see if they can get a better deal paying for these separately where possible. Make sure any usage cap is suitable to avoid further charges. If their current contract is finishing, do not be afraid to ask for a better deal. Ofcom recommend a number of price comparison websites, see www.ofcom.org.uk.

3.1.32 Does the client require advice about Help with Water Bills?

Yes

3.1.33 Details

concluded that the client would benefit from advice about their water bills. We advised that the client may be able to reduce their water bill or get help with water debt. We advised that their water company has social tariffs, schemes to reduce bills and schemes to help with arrears.

We also advised that Water Meters only charge you for the water you actually use and this could make bills cheaper. We advised that the client can ask their water company for advice or use the water-meter calculator on the Consumer Council for Water's website www.ccwater.org.uk. We advised the client that if they can't fit a water meter, then to ask their supplier about an assessed charge.

3.1.34 Does the client require advice about Reducing/Help with Travel Costs?

Not Applicable

3.1.35 Does the client require advice about Help with Prescription Costs?

Not Applicable

3.1.36 Does the client have home contents insurance?

No - not wanted

3.1.37 Details

they said that they did not currently have contents insurance but were aware of it. They knew that if they were destroyed through an accident or incident such as a fire or theft then they would be able to claim on this for replacements but have chosen not to make a payment out for this insurance.

4 Debt Exploration and Advice

4.1 Liability

4.1.1 Are you disputing liability for any of the debts?

No

4.1.2 Details

are not disputing their liability for any of their debts.

4.2 Priority Debts

4.3

We advised the client of the difference between priority and non-priority debts and we explained the recovery procedures that can be used by creditors if they default on payment.

A priority debt is one where the creditor's ultimate sanction may result in the loss of:
liberty; or
home; or
essential services, for example, gas or electricity; or
essential goods.

We explained the need for the client to maintain payments towards their priority creditors.

We advised that their other debts are non-priority debts. The sanctions open to creditors for non-payment of non-priority debts are generally less serious than those for priority debts. Most non-priority creditors can only recover the money owed through County Court proceedings and then enforcing the judgment if you do not pay in accordance with its terms.

We advised them that they should not ignore any letters or other contact from creditors or debt collectors (including bailiffs) acting on their behalf but should contact us as soon as possible.

We also advised them that entering into a payment arrangement with any of their creditors would not guarantee that any ongoing recovery or legal action would be suspended or withdrawn, and that the creditor may continue to add charges and interest.

We asked the client if all of the debts included below were all of their debts and they confirmed that they were, even when they present with one debt only.

4.3.1 Details

We enquired about any disrepair at the property and the client said that there was disrepair at the property. We therefore advised the client that they would benefit from seeking specialist Housing Law advice and so we referred the client to Shelter on 0300 330 1234.

4.3.2 Details

The client said that they have not received a court hearing date

4.3.3 Details

We advised the client that it is important that them to understand that their full rent needs to be paid to ensure that they keep their home. This is whether the rent is covered by Housing benefit, Universal Credit, Discretionary Housing Payments or payments from wages or any third parties.

We advised that for the arrears, the landlord will expect that the client makes either an arrangement to repay the arrears at an affordable amount, usually no less than £3.70 per week, or that they engage with another option to deal with their debt, such as an insolvency option or applying for a Discretionary Housing Payment (DHP).

We highlighted that current tenancy arrears are a priority debt as the ultimate sanction is that the client could lose their home if they don't pay them or take no action.

The first step in the possession process is to issue a Notice Seeking Possession (NOSP). This is a statutory letter that:

- ? Sets out the reasons (grounds) they want to evict the client;
- ? Tells the client when the landlord can start court action
- ? The client usually get at least 4 weeks' notice of court action but the landlord can apply to court immediately in some cases of nuisance or antisocial behaviour.

We advised that after serving a NOSP, if the client makes an arrangement with their landlord to pay their ongoing rent and a sum to their arrears, the landlord should agree to postpone further action. We advised the client that should they fail to make an arrangement, then once the notice period expires, the landlord can begin court action to repossess their home.

We advised the client that it is important that the client checks the NOSP for the Grounds that the landlord is relying upon to obtain possession. The most common grounds for seeking possession are Grounds 8, 10 and 11. We advised that Grounds 10 and 11 are discretionary which means that the court has a choice to make an order where you can pay the arrears in weekly payments under a suspended order. However, if Ground 8 is included in the NOSP and is relied upon in the possession proceedings, this is a mandatory ground. This means that if there are 8 weeks (or 2 months if rent is paid monthly) arrears at the date of the NOSP and date of the hearing then the court has no choice but to make a possession order.

Further we advised that, as the Tenancy is an Assured Shorthold, the landlord could instead serve a Section 21 Notice. The rules around s.21 notices are complex and it is often the case that a private landlord does not serve the notice correctly which means the client can defend the proceedings. We advised the client to seek specialist housing advice from Shelter on 0300 330 1234 when they receive a NOSP or S.21 Notice.

We advised the client that upon receiving a Possession Claim hearing Form N119 they should respond to the claim using the Form N11R. As we are not specialist housing advisers, we advised the client at this stage to contact Shelter on 0300 330 1234. Should they need advice on completing the form. We advised that the client should attend the hearing so that they can make their case. Failure to do so may result in a possession order being made.

We advised the client that they should get at least four weeks' notice of the court hearing date. This hearing will be in a County Court (can also be called a Civil Justice Centre) and is not a criminal hearing. There will be no wigs, gowns and the hearing will be held in private in a judge's room with just the judge, representatives of the council and anyone the client wants to take with them including for support and/or representation.

We advised the client that the types of order that can be granted by the judge at the hearing are:

- An order Dismissing the council's action: For example, if all the arrears have been paid off before the hearing date or if the landlord has failed to bring the claim correctly.
- Adjournment: This puts off the case for a specified period to give the client time to provide extra information to support their case, or to pay off arrears in full, for example, by sorting out a claim for Housing Benefit.
- Suspended possession order: which means that if the client keeps to the court's order to pay their full rent plus a set amount towards the arrears each week or month, landlord will not be allowed to evict them. If the client fails to comply with the order, the landlord can then obtain a warrant of possession allowing bailiffs to evict them. This is not available if Ground 8 or a s.21 Notice has been relied upon by the landlord.
- Outright possession order: This means that at the end of a set period, usually four weeks, the client must vacate their home and give possession of the property back to the landlord otherwise they could obtain a warrant of possession allowing bailiffs to evict the client.

We advised the client that if the outright possession order has been made and the time to give possession up has expired or if they have not made the payments as required under the suspended possession order, the landlord can apply to the court for a Warrant of Possession. They do not usually need to give you warning of this or need another hearing to do this. This empowers County Court bailiffs to evict the client from the property and change the locks.

We advised that if the client receive a warrant for possession then it is still possible for them to stay in the property, but they must apply to the court for the warrant to be suspended before the date of the eviction. The notice of eviction (Form N54) informs them about this. The client should complete Form N244 and apply to suspend the warrant of possession as early as possible before the eviction date. There is a fee for this of £50 but help towards costs can be applied for using court form EX160 if the client has a low income or receive certain benefits. The court will likely set a new date for a hearing and therefore it is recommended that they attend. We also recommended to the client that they seek specialist housing advice from Shelter on 0300 330 1234.

The client has received a s21 which is due to expire on 28 October. The client is receiving specialist housing advice from X and has agreed to move into a property on 15 October. It is a 2 bedroom assured tenancy with a social landlord.

4.3.4 If yes, how much of the arrears are disputed?
The client disputes the sum of £

4.3.5 Secured Loan Arrears
Not Applicable

4.3.6 Magistrates Court Fine
Not Applicable

4.3.7 TV Licence
No

4.3.8 Child Maintenance Arrears
Not Applicable

4.4 Non-Priority Debts

4.5

Insert a new table for each non-priority creditor

4.5.1 Non-Priority Debts

Creditor Name	Account number	Joint/Sole Liability	Debt Secured - Y/N	Outstanding Balance	Balance Verified - Y/N	Current arrangement (inc. interest/costs?)	Recovery Action/Latest contact (inc. court action)
Natwest		S	N	1313.36	y	38.86 per month	paying minimum payments, no default no recovery action
Newday Ltd		S	N	652.27	Y	15.40 per month	paying minimum payments, no default no recovery action

Creditor Name	Account number	Joint/Sole Liability	Debt Secured - Y/N	Outstanding Balance	Balance Verified - Y/N	Current arrangement (inc. interest/costs?)	Recovery Action/Latest contact (inc. court action)
Newday Ltd		S	N	1202.00	Y	£30.00 per month	paying minimum payments, no default no recovery action
Vanquis		S	N	1430.79	Y	£20.67 per month	paying minimum payments, no default no recovery action
Vanquis		S	N	1430.79	y	£86.70 per month	paying minimum payments, no default no recovery action
Halifax Bank		s	n	£3218.32	y	CMI - £182.76 per month	paying CMI, no default no recovery action
Lendable Ltd		S	N	£1689.61	Y	CMI - £129.97 pcm	paying CMI, no default no recovery action

4.5.2

Next, we advised the client about their Non-Priority Debts. The sanctions open to creditors for non-payment of non-priority debts are generally less serious than those for priority debts. Most non-priority creditors can only recover the money owed through County Court proceedings and then enforcing the judgment if you do not pay in accordance with its terms.

We discussed the following non-priority debts with the client: -

4.5.3 Details

We advised that DWP benefit overpayments are a non-priority debt and these can be recovered by the following means:

- Overpayments are usually recovered by making deductions from your ongoing entitlement or from other relevant income based benefits that you receive, such as ESA, JSA, Income Support or Universal Credit. However, if you are not currently receiving a benefit from which deductions can be taken, the following methods of recovery can apply:

- o (only if 9.1.1 selected) As you are working, your employer can be ordered to take deductions direct from your wages.
- o By using debt collectors who may add additional costs to the debt. Your credit rating may also be affected.
- o By getting a County Court order for debt recovery. This can result in the following enforcement action:
 - ? (Only if 6.1.1 or 6.1.2 selected) A charging order as you are a homeowner, securing the debt to your home.
 - ? (Only if 9.1.1 selected) An attachment of earnings order as you or a joint party are working.

? A third party debt order (Where an order is made against a person who owes you money, such as the DWP if they owe you backdated benefits, or from a bank holding savings for you.)

? Making you bankrupt if the debt owed is £5000 or more.

4.5.4 Details

We advised the client that they have missed payments under their agreement but have not yet received a default notice. We advised the client that there is, therefore, still an opportunity to contact the creditor to reach an agreement with them or explore the other options that are available to them.

We advised the client that if no further action is taken then the next stage would be for the creditor to issue the default notice. This gives the client 14 days to catch up with payments and if they do, the account will carry on, but if they cannot then the account will default. If the account defaults, the creditor will then be able to demand payment of the debt in full, pass the debt to a debt collection agency, sell the debt to a debt purchasing company and/or, after following the Debt Pre-Action Protocol, issue a claim against the client in the county court to obtain a County Court Judgment against the client.

We advised the client that the debt is at an early stage and so there is opportunity to prevent any court action, however this is the ultimate sanction and if a County Court Judgment is obtained, this will add additional costs to the debt and can then be enforced. A County Court Judgment can be enforced through a number of methods including Attachment of Earnings Orders, Charging Orders, County Court Bailiffs, High Court Enforcement or a Third Party Debt Order, depending on your circumstances at the time of the enforcement.

We advised the client that any missed payments will show on the client's credit reference file and may impact on the client's ability to obtain credit in the next 6 years, however, should further action such as a Default Notice or County Court Judgment be obtained then these will have an even greater impact on the client's credit file.

4.5.5 Details

We advised the client that they have missed payments under their agreement, received a Default Notice and the debt has now been passed to a debt collection agency or sold to a debt purchasing company. We advised the client that there is, therefore, still an opportunity to contact the creditor to reach an agreement with them or explore the other options that are available to them.

We advised that when they received the Default Notice, they had 14 days to catch up with payments but as they were not able to do this, the account has defaulted. As such, the creditor can demand payment of the debt in full, pass the debt to a debt collection agency, sell the debt to a debt purchasing company and/or, after following the Debt Pre-Action Protocol, issue a claim against the client in the county court to obtain a County Court Judgment against the client.

We advised the client that as they have informed us that the debt has been passed on to a third party, the third party will try to collect the debt through reaching agreement with client for a payment amount. If this is not possible, the next step would be for the creditor to issue county court proceedings.

We advised the client that before a creditor can issue a claim, they have to follow the pre-action protocol which describes the way the client and the creditor are expected to behave, and the actions the client should take, before a court claim for payment of a debt is started. The court prefers that court action is avoided whenever possible and the protocol is designed to help with this. Where court action cannot be avoided, both the client and the creditor should try to act in a fair and reasonable way. This is to try and avoid causing costs and delays that are not necessary.

Before the creditor starts court action by sending the client a claim form they should send the client a letter of claim. The letter should tell the client the amount of the debt and whether interest is being added. If there was no written agreement, the letter should tell the client who made the agreement, what was agreed, and when and where it was agreed. If there is a signed agreement, the letter should give the date of the agreement, details of anyone else who signed it and tell the client that they can ask for a copy of the written agreement from the creditor.

If the debt has been sold on to a debt collection agency, the letter should give you details of the original debt and creditor, when it was sold on and which company it was sold to.

We advised that if payment by regular instalments is being made or offered, the letter should explain why a court claim is still being considered. The letter should give details of how the client can pay the debt, such as where and how to pay, and how the client can discuss payment options.

The letter of claim should be sent by post, either on the date shown at the top of the first page, or if that isn't reasonably possible, the following day. If the client requested that the creditor doesn't post information to them, and have provided other contact details, the creditor should use those details to send the letter of claim to the client.

The letter of claim should also include helpful information and other forms.

- The information sheet - this is a guide which explains the client's rights and gives the client a step-by-step guide on what to do next.
- The reply form – the client needs to send this back to the creditor within 30 days. Use the reply form to tell the creditor whether the client owes the debt or not, to request more information or to let them know the client is seeking advice.
- A statement of means form – this is similar to a financial statement and should show the client's income and expenditure as well as any other debts.

The letter of claim should:

- include an up-to-date statement of account for the debt;
- include the most recent statement of account for the debt and inform the client of any additional interest and charges added since; or
- tell the client the amount of interest and charges added since they took the debt out, if no statements have been provided.

We advised the client that if they receive a letter of claim they should also receive a reply form with it. They need to send the creditor the completed reply form within 30 days of the date at the top of the letter, even if they are not able to complete all of the sections.

Section 1 allows the client to say whether they owe all of the money, some of it, none of it, or that they don't know if they owe anything.

Section 2 must be completed if the client agrees that they owe all or some of the money being claimed. This section allows them to say whether they can afford to pay the whole amount immediately, or if they will need to pay by instalments.

Section 3 allows the client to explain if they are receiving, or planning to seek, debt advice on whether they owe the debt or whether they can afford to pay the debt back.

Section 4 is used to ask the creditor to send the client more documents or send the creditor more documents such as proof of payment if some payments are missing from the account.

We advised the client that if they ask for a document or information the creditor must either provide it, or explain why it is not available, within 30 days.

When thinking about how to reply to a letter of claim it's a good idea to think about whether there is still time for the claim to be made. The Limitation Act 1980 sets out the rules on how long a creditor has to take certain actions to recover a debt. The time limits are different depending on the type of debt.

We advised the client that if they confirm that you owe the debt when they reply to the creditor they may re-start the time limit the creditor has to start a court claim and so they should only do this after seeking specific advice from us.

We advised the client that if they come an agreement with the creditor over repaying the debt, they should not take court action as long as the client keeps to the agreement.

If the creditor makes a court claim, the court will expect both the client and the creditor to follow the protocol. The court will look at whether the main points have been met. If some minor details were not met by either the client or the creditor, the court may still find this acceptable.

We advised that it is important for the client to follow the protocol because if the client does not reply within 30 days, or they do not follow the pre-action protocol in any other way, the creditor can ask the court to increase the debt with additional interest. They do not have to do this and are unlikely to do so if the client agrees they owe the money. But if the court feels the protocol was not followed closely enough, it can add an extra amount of interest to the debt, on top of any interest already claimed by the creditor.

If the creditor does not follow the protocol and they eventually win their court case, the court may reduce the amount of any interest added to the debt.

Further if the client does not follow the protocol, the court may decide that the client has to pay all of the court costs. If the creditor does not follow the protocol, they may have to pay all of the court costs.

We advised the client that if they reply to the letter of claim but cannot come to an agreement with the creditor, the creditor should give the client at least 14 days' notice that they intend to start a court claim. The creditor should not start a court claim within either 30 days of receiving the completed reply form, or 30 days of providing the client with the documents they asked for.

We advised the client that if a claim is then issued and is not defended, a County Court Judgment is obtained. This will add additional costs to the debt and can then be enforced. A County Court Judgment can be enforced through a number of methods including Attachment of Earnings Orders, Charging Orders, County Court Bailiffs, High Court Enforcement or a Third Party Debt Order, depending on your circumstances at the time of the enforcement.

We advised the client that any missed payments and the Default Notice will show on the client's credit reference file and may impact on the client's ability to obtain credit in the next 6 years, however, should further action such as a County Court Judgment be obtained then this will have an even greater impact on the client's credit file.

4.5.6 Details

We advised the client that they have missed payments under their agreement, received a Default Notice, a claim has been made in the county court and a judgment made against the client.

We advised that when they received the Default Notice, they had 14 days to catch up with payments but as they were not able to do this, the account has defaulted. As such, the creditor can demand payment of the debt in full, pass the debt to a debt collection agency, sell the debt to a debt purchasing company and/or, after following the Debt Pre-Action Protocol, issue a claim against the client in the county court to obtain a County Court Judgment against the client.

We advised the client that as they have informed us that a claim had been issued against them in the county court and a judgment has been obtained.

We advised the client that before a creditor can issue a claim, they have to follow the pre-action protocol which describes the way the client and the creditor are expected to behave, and the actions the client should take, before a court claim for payment of a debt is started.

We advised that the client that as part of the claim they would have received a 'claim form' from the court and they would have had the opportunity to reply to make their offer of repayment. This is called the 'admission form' or N9A.

We advised that if the creditor accepted the offer, the client received a CCJ from the court telling them to pay in monthly instalments. If the creditor did not accept the offer, the court would decide (or 'determine') what the client should pay each month.

We advised the client that if they client cannot afford what the court has decided should be paid, the client can apply to the court to look at the offer again. This is called a 're-determination'. There is no fee for this. The client must do this within 14 days of getting the order. The client can do this by simply writing a letter to the County Court. Quote the case number. Attach the budget summary and explain why the client disagrees with the order the court has made.

The re-determination will be done by a District Judge. Where an order was made by the court staff, the District Judge can decide to have a hearing or make a decision by looking at the papers. The client can ask for a hearing when they write to the court and ask them to look at the case again.

If a District Judge made the original order without a hearing, then the re-determination of the offer must be decided at a hearing. If there is a hearing, the case will automatically be transferred to the client's local County Court hearing centre so the client can attend. The court will send a hearing date which the client must attend. We advised the client that they should send the payments to the creditor, not the court. Keep a record of what they have paid and when. We advised the client that they could ask the creditor for a payment booklet to make it easier to pay or set up a direct debit or standing order.

If a District Judge made the first order on how much the client should pay at a hearing, the client cannot apply for a re-determination but must apply for the monthly payments to be reduced, or 'varied'.

We advised that a CCJ will normally be recorded on a public register called the Register of Judgments, Orders and Fines. This information is also registered on the client's credit reference file. The information will stay on their credit reference file and the Register of Judgments, Orders and Fines for six years from the date the CCJ was made, unless the client pays the CCJ in full within one calendar month.

If the client pays the CCJ in full after one calendar month, they can ask for the entry to be marked as 'satisfied' if the client provides proof of payment, but the CCJ will still stay on the client's credit reference file. This is likely to affect the client's ability to get credit.

The monthly payments you have been ordered to make may be reduced if your circumstances change or if you can't afford them. You can apply for a reduction using form N245 which you can get from the local County Court hearing centre. There is a fee to pay. If you are on a low income or certain benefits, you may not have to pay the fee. If you have missed a payment because your circumstances have changed, you can use an N245 to apply for a reduction in your payments. If successful, this may stop your creditor from taking further action. See our Varying a CCJ fact sheet for more information.

There will usually be a fee to pay with the application but this may not have to be paid if the client is on a low income at the time of the application.

Enforcement

The creditor will have to pay a fee to County Court for applications to enforce payment. The creditor will add the fee to your debt and in some cases there may be extra court costs which they can add as well.

The creditor may be able to take further action against the client to enforce payment through the court. They can only take certain types of enforcement action if the client has not paid the CCJ as the court ordered. The methods of enforcement are explained in the following sections.

Information order

Before using enforcement action, a creditor may ask the client to go to a court for an interview about their income, outgoings and any assets they have, such as their house. This is called an 'information order'.

Creditors can ask the court to arrange an information order interview at any time and not just when the client misses a payment. The interview consists of a set of standard questions and the client may be asked to bring things like pay slips, outstanding bills and credit agreements to the interview. We advised the client that if they are asked to go to court for an information order interview, it is a good idea to work out a personal budget before they go.

It is very important that the client goes to the interview or tell the court if they cannot go. The court can send the client to prison for not cooperating with the process, so they must act if they are sent an interview date.

Attachment of earnings order (only if 9.1.1 selected)

The creditor can only apply for an attachment of earnings order if:

- the client is employed; and
- the client has not paid the CCJ as the court ordered.

This means that the court can order the client's employer to deduct a regular amount from their wages to pay back the debt. The creditor has to make an application to the court and the client will be sent a form to fill in and return to the court outlining the income and outgoings. The court then sets the amount that will be taken from the client's wages. The client can ask the court to suspend an attachment of earnings order if their job will be affected.

Charging order (only if 6.1.1 or 6.1.2 selected)

The creditor can ask the court to put a charge on the client's home which secures the debt. This means it should be paid off when the house is sold.

If your creditor applies for a CCJ on or after 1 October 2012, they can apply for a charging order even if the client keeps to the payments that the court ordered the client to pay. If your creditor applied for a CCJ before 1 October 2012, they can only apply for a charging order if the client has not kept to the payments that the court ordered the client to pay.

A charging order application is a two-stage process. If the client objects in time, there must be a hearing in front of a judge before it is made final. Having a final charging order does not mean the client will lose their home. A further application has to be made asking the court to order a sale of the client's home.

Most creditors are prepared to wait for the client to sell their home until some point in the future, and to be paid out of the proceeds of the sale. If a creditor does make an order for sale application, a hearing will be arranged and the court has the final decision about whether the order should be granted.

Bailiffs

If the client has not paid their CCJ as the court ordered, the creditor can ask county court bailiffs (also known as enforcement officers) to call at the client's home with the aim of taking the client's goods. Bailiffs do not have the right to come into the client's home unless the client has let them in before. Do not let them in. The client may be able to get a bailiff's warrant suspended using a county court form called an N245.

Third party debt order

The creditor can instruct someone who owes the client money to pay the creditor instead. The creditor can only use this type of enforcement if the client has not paid the CCJ as the court ordered. The most likely way a third party debt order would be used is where the creditor finds out the client has savings in the bank and wants the bank to pay your savings to the creditor. It is a fairly unusual procedure which involves a hearing in front of the District Judge and a court order freezing the account.

High Court

If the CCJ is for a debt which is not regulated by the Consumer Credit Act 1974, your creditor can enforce it in the High Court by taking control of goods. Business and trade creditors are likely to do this. Also, it can sometimes be done for unpaid nursery fees, funeral charges or even water charges. 'Taking control of goods' involves High Court Enforcement Officers (HCEOs) visiting you. HCEOs are High Court bailiffs. See our High Court enforcement fact sheet for more information.

4.5.7 Details

We advised the client that they have missed payments under their agreement but have not yet received a default notice. We advised the client that there is, therefore, still an opportunity to contact the creditor to reach an agreement with them or explore the other options that are available to them.

We advised the client that if no further action is taken then the next stage would be for the creditor to issue the default notice. This gives the client 14 days to catch up with payments and if they do, the account will carry on, but if they cannot then the account will default. If the account defaults, the creditor will then be able to demand payment of the debt in full, pass the debt to a debt collection agency, sell the debt to a debt purchasing company and/or, after following the Debt Pre-Action Protocol, issue a claim against the client in the county court to obtain a County Court Judgment against the client.

We advised the client that the debt is at an early stage and so there is opportunity to prevent any court action, however this is the ultimate sanction and if a County Court Judgment is obtained, this will add additional costs to the debt and can then be enforced. A County Court Judgment can be enforced through a number of methods including Attachment of Earnings Orders, Charging Orders, County Court Bailiffs, High Court Enforcement or a Third Party Debt Order, depending on your circumstances at the time of the enforcement.

We advised the client that any missed payments will show on the client's credit reference file and may impact on the client's ability to obtain credit in the next 6 years, however, should further action such as a Default Notice or County Court Judgment be obtained then these will have an even greater impact on the client's credit file.

4.5.8 Details

We advised the client that they have missed payments under their agreement, received a Default Notice, a claim has been made in the county court and a judgment made against the client.

We advised that when they received the Default Notice, they had 14 days to catch up with payments but as they were not able to do this, the account has defaulted. As such, the creditor can demand payment of the debt in full, pass the debt to a debt collection agency, sell the debt to a debt purchasing company and/or, after following the Debt Pre-Action Protocol, issue a claim against the client in the county court to obtain a County Court Judgment against the client.

We advised the client that as they have informed us that a claim had been issued against them in the county court and a judgment has been obtained.

We advised the client that before a creditor can issue a claim, they have to follow the pre-action protocol which describes the way the client and the creditor are expected to behave, and the actions the client should take, before a court claim for payment of a debt is started.

We advised that the client that as part of the claim they would have received a 'claim form' from the court and they would have had the opportunity to reply to make their offer of repayment. This is called the 'admission form' or N9A.

We advised that if the creditor accepted the offer, the client received a CCJ from the court telling them to pay in monthly instalments. If the creditor did not accept the offer, the court would decide (or 'determine') what the client should pay each month.

We advised the client that if they client cannot afford what the court has decided should be paid, the client can apply to the court to look at the offer again. This is called a 're-determination'. There is no fee for this. The client must do this within 14 days of getting the order. The client can do this by simply writing a letter to the County Court. Quote the case number. Attach the budget summary and explain why the client disagrees with the order the court has made.

The re-determination will be done by a District Judge. Where an order was made by the court staff, the District Judge can decide to have a hearing or make a decision by looking at the papers. The client can ask for a hearing when they write to the court and ask them to look at the case again.

If a District Judge made the original order without a hearing, then the re-determination of the offer must be decided at a hearing. If there is a hearing, the case will automatically be transferred to the client's local County Court hearing centre so the client can attend. The court will send a hearing date which the client must attend. We advised the client that they should send the payments to the creditor, not the court. Keep a record of what they have paid and when. We advised the client that they could ask the creditor for a payment booklet to make it easier to pay or set up a direct debit or standing order.

If a District Judge made the first order on how much the client should pay at a hearing, the client cannot apply for a re-determination but must apply for the monthly payments to be reduced, or 'varied'.

We advised that a CCJ will normally be recorded on a public register called the Register of Judgments, Orders and Fines. This information is also registered on the client's credit reference file. The information will stay on their credit reference file and the Register of Judgments, Orders and Fines for six years from the date the CCJ was made, unless the client pays the CCJ in full within one calendar month.

If the client pays the CCJ in full after one calendar month, they can ask for the entry to be marked as 'satisfied' if the client provides proof of payment, but the CCJ will still stay on the client's credit reference file. This is likely to affect the client's ability to get credit.

The monthly payments you have been ordered to make may be reduced if your circumstances change or if you can't afford them. You can apply for a reduction using form N245 which you can get from the local County Court hearing centre. There is a fee to pay. If you are on a low income or certain benefits, you may not have to pay the fee. If you have missed a payment because your circumstances have changed, you can use an N245 to apply for a reduction in your payments. If successful, this may stop your creditor from taking further action. See our Varying a CCJ fact sheet for more information.

There will usually be a fee to pay with the application but this may not have to be paid if the client is on a low income at the time of the application.

Enforcement

The creditor will have to pay a fee to County Court for applications to enforce payment. The creditor will add the fee to your debt and in some cases there may be extra court costs which they can add as well.

The creditor may be able to take further action against the client to enforce payment through the court. They can only take certain types of enforcement action if the client has not paid the CCJ as the court ordered. The methods of enforcement are explained in the following sections.

Information order

Before using enforcement action, a creditor may ask the client to go to a court for an interview about their income, outgoings and any assets they have, such as their house. This is called an 'information order'.

Creditors can ask the court to arrange an information order interview at any time and not just when the client misses a payment. The interview consists of a set of standard questions and the client may be asked to bring things like pay slips, outstanding bills and credit agreements to the interview. We advised the client that if they are asked to go to court for an information order interview, it is a good idea to work out a personal budget before they go.

It is very important that the client goes to the interview or tell the court if they cannot go. The court can send the client to prison for not cooperating with the process, so they must act if they are sent an interview date.

4.5.9 Details

Attachment of earnings order

The creditor can only apply for an attachment of earnings order if:

- the client is employed; and
- the client has not paid the CCJ as the court ordered.

This means that the court can order the client's employer to deduct a regular amount from their wages to pay back the debt. The creditor has to make an application to the court and the client will be sent a form to fill in and return to the court outlining the income and outgoings. The court then sets the amount that will be taken from the client's wages. The client can ask the court to suspend an attachment of earnings order if their job will be affected.

4.5.10 Details

We advised the client that they have missed payments under their agreement but have not yet received a default notice. We advised the client that there is, therefore, still an opportunity to contact the creditor to reach an agreement with them or explore the other options that are available to them.

We advised the client that if no further action is taken then the next stage would be for the creditor to issue the default notice. This gives the client 14 days to catch up with payments and if they do, the account will carry on, but if they cannot then the account will default. If the account defaults, the creditor will then be able to demand payment of the debt in full, pass the debt to a debt collection agency, sell the debt to a debt purchasing company and/or, after following the Debt Pre-Action Protocol, issue a claim against the client in the county court to obtain a County Court Judgment against the client.

We advised the client that the debt is at an early stage and so there is opportunity to prevent any court action, however this is the ultimate sanction and if a County Court Judgment is obtained, this will add additional costs to the debt and can then be enforced. A County Court Judgment can be enforced through a number of methods including Attachment of Earnings Orders, Charging Orders, County Court Bailiffs, High Court Enforcement or a Third Party Debt Order, depending on your circumstances at the time of the enforcement.

We advised the client that any missed payments will show on the client's credit reference file and may impact on the client's ability to obtain credit in the next 6 years, however, should further action such as a Default Notice or County Court Judgment be obtained then these will have an even greater impact on the client's credit file.

4.5.11 Details

We advised the client that they have missed payments under their agreement, received a Default Notice, a claim has been made in the county court and a judgment made against the client.

We advised that when they received the Default Notice, they had 14 days to catch up with payments but as they were not able to do this, the account has defaulted. As such, the creditor can demand payment of the debt in full, pass the debt to a debt collection agency, sell the debt to a debt purchasing company and/or, after following the Debt Pre-Action Protocol, issue a claim against the client in the county court to obtain a County Court Judgment against the client.

We advised the client that as they have informed us that a claim had been issued against them in the county court and a judgment has been obtained.

We advised the client that before a creditor can issue a claim, they have to follow the pre-action protocol which describes the way the client and the creditor are expected to behave, and the actions the client should take, before a court claim for payment of a debt is started.

We advised that the client that as part of the claim they would have received a 'claim form' from the court and they would have had the opportunity to reply to make their offer of repayment. This is called the 'admission form' or N9A.

We advised that if the creditor accepted the offer, the client received a CCJ from the court telling them to pay in monthly instalments. If the creditor did not accept the offer, the court would decide (or 'determine') what the client should pay each month.

We advised the client that if they client cannot afford what the court has decided should be paid, the client can apply to the court to look at the offer again. This is called a 're-determination'. There is no fee for this. The client must do this within 14 days of getting the order. The client can do this by simply writing a letter to the County Court. Quote the case number. Attach the budget summary and explain why the client disagrees with the order the court has made.

The re-determination will be done by a District Judge. Where an order was made by the court staff, the District Judge can decide to have a hearing or make a decision by looking at the papers. The client can ask for a hearing when they write to the court and ask them to look at the case again.

If a District Judge made the original order without a hearing, then the re-determination of the offer must be decided at a hearing. If there is a hearing, the case will automatically be transferred to the client's local County Court hearing centre so the client can attend. The court will send a hearing date which the client must attend. We advised the client that they should send the payments to the creditor, not the court. Keep a record of what they have paid and when. We advised the client that they could ask the creditor for a payment booklet to make it easier to pay or set up a direct debit or standing order.

If a District Judge made the first order on how much the client should pay at a hearing, the client cannot apply for a re-determination but must apply for the monthly payments to be reduced, or 'varied'.

We advised that a CCJ will normally be recorded on a public register called the Register of Judgments, Orders and Fines. This information is also registered on the client's credit reference file. The information will stay on their credit reference file and the Register of Judgments, Orders and Fines for six years from the date the CCJ was made, unless the client pays the CCJ in full within one calendar month.

If the client pays the CCJ in full after one calendar month, they can ask for the entry to be marked as 'satisfied' if the client provides proof of payment, but the CCJ will still stay on the client's credit reference file. This is likely to affect the client's ability to get credit.

The monthly payments you have been ordered to make may be reduced if your circumstances change or if you can't afford them. You can apply for a reduction using form N245 which you can get from the local County Court hearing centre. There is a fee to pay. If you are on a low income or certain benefits, you may not have to pay the fee. If you have missed a payment because your circumstances have changed, you can use an N245 to apply for a reduction in your payments. If successful, this may stop your creditor from taking further action. See our Varying a CCJ fact sheet for more information.

There will usually be a fee to pay with the application but this may not have to be paid if the client is on a low income at the time of the application.

Enforcement

The creditor will have to pay a fee to County Court for applications to enforce payment. The creditor will add the fee to your debt and in some cases there may be extra court costs which they can add as well.

The creditor may be able to take further action against the client to enforce payment through the court. They can only take certain types of enforcement action if the client has not paid the CCJ as the court ordered. The methods of enforcement are explained in the following sections.

Information order

Before using enforcement action, a creditor may ask the client to go to a court for an interview about their income, outgoings and any assets they have, such as their house. This is called an 'information order'.

Creditors can ask the court to arrange an information order interview at any time and not just when the client misses a payment. The interview consists of a set of standard questions and the client may be asked to bring things like pay slips, outstanding bills and credit agreements to the interview. We advised the client that if they are asked to go to court for an information order interview, it is a good idea to work out a personal budget before they go.

It is very important that the client goes to the interview or tell the court if they cannot go. The court can send the client to prison for not cooperating with the process, so they must act if they are sent an interview date.

4.5.12 Details

We advised the client that they have missed payments under their agreement but have not yet received a default notice. We advised the client that there is, therefore, still an opportunity to contact the creditor to reach an agreement with them or explore the other options that are available to them.

We advised the client that if no further action is taken then the next stage would be for the creditor to issue the default notice. This gives the client 14 days to catch up with payments and if they do, the account will carry on, but if they cannot then the account will default. If the account defaults, the creditor will then be able to demand payment of the debt in full, pass the debt to a debt collection agency, sell the debt to a debt purchasing company and/or, after following the Debt Pre-Action Protocol, issue a claim against the client in the county court to obtain a County Court Judgment against the client.

We advised the client that the debt is at an early stage and so there is opportunity to prevent any court action, however this is the ultimate sanction and if a County Court Judgment is obtained, this will add additional costs to the debt and can then be enforced. A County Court Judgment can be enforced through a number of methods including Attachment of Earnings Orders, Charging Orders, County Court Bailiffs, High Court Enforcement or a Third Party Debt Order, depending on your circumstances at the time of the enforcement.

We advised the client that any missed payments will show on the client's credit reference file and may impact on the client's ability to obtain credit in the next 6 years, however, should further action such as a Default Notice or County Court Judgment be obtained then these will have an even greater impact on the client's credit file.

4.5.13 Details

We advised the client that they have missed payments under their agreement, received a Default Notice, a claim has been made in the county court and a judgment made against the client.

We advised that when they received the Default Notice, they had 14 days to catch up with payments but as they were not able to do this, the account has defaulted. As such, the creditor can demand payment of the debt in full, pass the debt to a debt collection agency, sell the debt to a debt purchasing company and/or, after following the Debt Pre-Action Protocol, issue a claim against the client in the county court to obtain a County Court Judgment against the client.

We advised the client that as they have informed us that a claim had been issued against them in the county court and a judgment has been obtained.

We advised the client that before a creditor can issue a claim, they have to follow the pre-action protocol which describes the way the client and the creditor are expected to behave, and the actions the client should take, before a court claim for payment of a debt is started.

We advised that the client that as part of the claim they would have received a 'claim form' from the court and they would have had the opportunity to reply to make their offer of repayment. This is called the 'admission form' or N9A.

We advised that if the creditor accepted the offer, the client received a CCJ from the court telling them to pay in monthly instalments. If the creditor did not accept the offer, the court would decide (or 'determine') what the client should pay each month.

We advised the client that if they client cannot afford what the court has decided should be paid, the client can apply to the court to look at the offer again. This is called a 're-determination'. There is no fee for this. The client must do this within 14 days of getting the order. The client can do this by simply writing a letter to the County Court. Quote the case number. Attach the budget summary and explain why the client disagrees with the order the court has made.

The re-determination will be done by a District Judge. Where an order was made by the court staff, the District Judge can decide to have a hearing or make a decision by looking at the papers. The client can ask for a hearing when they write to the court and ask them to look at the case again.

If a District Judge made the original order without a hearing, then the re-determination of the offer must be decided at a hearing. If there is a hearing, the case will automatically be transferred to the client's local County Court hearing centre so the client can attend. The court will send a hearing date which the client must attend. We advised the client that they should send the payments to the creditor, not the court. Keep a record of what they have paid and when. We advised the client that they could ask the creditor for a payment booklet to make it easier to pay or set up a direct debit or standing order.

If a District Judge made the first order on how much the client should pay at a hearing, the client cannot apply for a re-determination but must apply for the monthly payments to be reduced, or 'varied'.

We advised that a CCJ will normally be recorded on a public register called the Register of Judgments, Orders and Fines. This information is also registered on the client's credit reference file. The information will stay on their credit reference file and the Register of Judgments, Orders and Fines for six years from the date the CCJ was made, unless the client pays the CCJ in full within one calendar month.

If the client pays the CCJ in full after one calendar month, they can ask for the entry to be marked as 'satisfied' if the client provides proof of payment, but the CCJ will still stay on the client's credit reference file. This is likely to affect the client's ability to get credit.

The monthly payments you have been ordered to make may be reduced if your circumstances change or if you can't afford them. You can apply for a reduction using form N245 which you can get from the local County Court hearing centre. There is a fee to pay. If you are on a low income or certain benefits, you may not have to pay the fee. If you have missed a payment because your circumstances have changed, you can use an N245 to apply for a reduction in your payments. If successful, this may stop your creditor from taking further action. See our Varying a CCJ fact sheet for more information.

There will usually be a fee to pay with the application but this may not have to be paid if the client is on a low income at the time of the application.

Enforcement

The creditor will have to pay a fee to County Court for applications to enforce payment. The creditor will add the fee to your debt and in some cases there may be extra court costs which they can add as well.

The creditor may be able to take further action against the client to enforce payment through the court. They can only take certain types of enforcement action if the client has not paid the CCJ as the court ordered. The methods of enforcement are explained in the following sections.

Information order

Before using enforcement action, a creditor may ask the client to go to a court for an interview about their income, outgoings and any assets they have, such as their house. This is called an 'information order'.

Creditors can ask the court to arrange an information order interview at any time and not just when the client misses a payment. The interview consists of a set of standard questions and the client may be asked to bring things like pay slips, outstanding bills and credit agreements to the interview. We advised the client that if they are asked to go to court for an information order interview, it is a good idea to work out a personal budget before they go.

It is very important that the client goes to the interview or tell the court if they cannot go. The court can send the client to prison for not cooperating with the process, so they must act if they are sent an interview date.

Attachment of earnings order (only if 9.1.1 selected)

The creditor can only apply for an attachment of earnings order if:

- the client is employed; and
- the client has not paid the CCJ as the court ordered.

This means that the court can order the client's employer to deduct a regular amount from their wages to pay back the debt. The creditor has to make an application to the court and the client will be sent a form to fill in and return to the court outlining the income and outgoings. The court then sets the amount that will be taken from the client's wages. The client can ask the court to suspend an attachment of earnings order if their job will be affected.

4.5.14 Details

We advised the client that they have missed payments under their agreement but have not yet received a default notice. We advised the client that there is, therefore, still an opportunity to contact the creditor to reach an agreement with them or explore the other options that are available to them.

We advised the client that if no further action is taken then the next stage would be for the creditor to issue the default notice. This gives the client 14 days to catch up with payments and if they do, the account will carry on, but if they cannot then the account will default. If the account defaults, the creditor will then be able to demand payment of the debt in full, pass the debt to a debt collection agency, sell the debt to a debt purchasing company and/or, after following the Debt Pre-Action Protocol, issue a claim against the client in the county court to obtain a County Court Judgment against the client.

We advised the client that the debt is at an early stage and so there is opportunity to prevent any court action, however this is the ultimate sanction and if a County Court Judgment is obtained, this will add additional costs to the debt and can then be enforced. A County Court Judgment can be enforced through a number of methods including Attachment of Earnings Orders, Charging Orders, County Court Bailiffs, High Court Enforcement or a Third Party Debt Order, depending on your circumstances at the time of the enforcement.

We advised the client that any missed payments will show on the client's credit reference file and may impact on the client's ability to obtain credit in the next 6 years, however, should further action such as a Default Notice or County Court Judgment be obtained then these will have an even greater impact on the client's credit file.

4.5.15 Details

Attachment of earnings order

The creditor can only apply for an attachment of earnings order if:

- the client is employed; and
- the client has not paid the CCJ as the court ordered.

This means that the court can order the client's employer to deduct a regular amount from their wages to pay back the debt. The creditor has to make an application to the court and the client will be sent a form to fill in and return to the court outlining the income and outgoings. The court then sets the amount that will be taken from the client's wages. The client can ask the court to suspend an attachment of earnings order if their job will be affected.

4.5.16 Details

Charging order

The creditor can ask the court to put a charge on the client's home which secures the debt. This means it should be paid off when the house is sold.

If your creditor applies for a CCJ on or after 1 October 2012, they can apply for a charging order even if the client keeps to the payments that the court ordered the client to pay. If your creditor applied for a CCJ before 1 October 2012, they can only apply for a charging order if the client has not kept to the payments that the court ordered the client to pay.

A charging order application is a two-stage process. If the client objects in time, there must be a hearing in front of a judge before it is made final. Having a final charging order does not mean the client will lose their home. A further application has to be made asking the court to order a sale of the client's home.

Most creditors are prepared to wait for the client to sell their home until some point in the future, and to be paid out of the proceeds of the sale. If a creditor does make an order for sale application, a hearing will be arranged and the court has the final decision about whether the order should be granted.

Bailiffs

If the client has not paid their CCJ as the court ordered, the creditor can ask county court bailiffs (also known as enforcement officers) to call at the client's home with the aim of taking the client's goods. Bailiffs do not have the right to come into the client's home unless the client has let them in before. Do not let them in. The client may be able to get a bailiff's warrant suspended using a county court form called an N245.

Third party debt order

The creditor can instruct someone who owes the client money to pay the creditor instead. The creditor can only use this type of enforcement if the client has not paid the CCJ as the court ordered. The most likely way a third party debt order would be used is where the creditor finds out the client has savings in the bank and wants the bank to pay your savings to the creditor. It is a fairly unusual procedure which involves a hearing in front of the District Judge and a court order freezing the account.

4.5.17 Details

We advised the client that they have missed payments under their agreement, received a Default Notice, a claim has been made in the county court and a judgment made against the client.

We advised that when they received the Default Notice, they had 14 days to catch up with payments but as they were not able to do this, the account has defaulted. As such, the creditor can demand payment of the debt in full, pass the debt to a debt collection agency, sell the debt to a debt purchasing company and/or, after following the Debt Pre-Action Protocol, issue a claim against the client in the county court to obtain a County Court Judgment against the client.

We advised the client that as they have informed us that a claim had been issued against them in the county court and a judgment has been obtained.

We advised the client that before a creditor can issue a claim, they have to follow the pre-action protocol which describes the way the client and the creditor are expected to behave, and the actions the client should take, before a court claim for payment of a debt is started.

We advised that the client that as part of the claim they would have received a 'claim form' from the court and they would have had the opportunity to reply to make their offer of repayment. This is called the 'admission form' or N9A.

We advised that if the creditor accepted the offer, the client received a CCJ from the court telling them to pay in monthly instalments. If the creditor did not accept the offer, the court would decide (or 'determine') what the client should pay each month.

We advised the client that if they client cannot afford what the court has decided should be paid, the client can apply to the court to look at the offer again. This is called a 're-determination'. There is no fee for this. The client must do this within 14 days of getting the order. The client can do this by simply writing a letter to the County Court. Quote the case number. Attach the budget summary and explain why the client disagrees with the order the court has made.

The re-determination will be done by a District Judge. Where an order was made by the court staff, the District Judge can decide to have a hearing or make a decision by looking at the papers. The client can ask for a hearing when they write to the court and ask them to look at the case again.

If a District Judge made the original order without a hearing, then the re-determination of the offer must be decided at a hearing. If there is a hearing, the case will automatically be transferred to the client's local County Court hearing centre so the client can attend. The court will send a hearing date which the client must attend. We advised the client that they should send the payments to the creditor, not the court. Keep a record of what they have paid and when. We advised the client that they could ask the creditor for a payment booklet to make it easier to pay or set up a direct debit or standing order.

If a District Judge made the first order on how much the client should pay at a hearing, the client cannot apply for a re-determination but must apply for the monthly payments to be reduced, or 'varied'.

We advised that a CCJ will normally be recorded on a public register called the Register of Judgments, Orders and Fines. This information is also registered on the client's credit reference file. The information will stay on their credit reference file and the Register of Judgments, Orders and Fines for six years from the date the CCJ was made, unless the client pays the CCJ in full within one calendar month.

If the client pays the CCJ in full after one calendar month, they can ask for the entry to be marked as 'satisfied' if the client provides proof of payment, but the CCJ will still stay on the client's credit reference file. This is likely to affect the client's ability to get credit.

The monthly payments you have been ordered to make may be reduced if your circumstances change or if you can't afford them. You can apply for a reduction using form N245 which you can get from the local County Court hearing centre. There is a fee to pay. If you are on a low income or certain benefits, you may not have to pay the fee. If you have missed a payment because your circumstances have changed, you can use an N245 to apply for a reduction in your payments. If successful, this may stop your creditor from taking further action. See our Varying a CCJ fact sheet for more information.

There will usually be a fee to pay with the application but this may not have to be paid if the client is on a low income at the time of the application.

Enforcement

The creditor will have to pay a fee to County Court for applications to enforce payment. The creditor will add the fee to your debt and in some cases there may be extra court costs which they can add as well.

The creditor may be able to take further action against the client to enforce payment through the court. They can only take certain types of enforcement action if the client has not paid the CCJ as the court ordered. The methods of enforcement are explained in the following sections.

Information order

Before using enforcement action, a creditor may ask the client to go to a court for an interview about their income, outgoings and any assets they have, such as their house. This is called an 'information order'.

Creditors can ask the court to arrange an information order interview at any time and not just when the client misses a payment. The interview consists of a set of standard questions and the client may be asked to bring things like pay slips, outstanding bills and credit agreements to the interview. We advised the client that if they are asked to go to court for an information order interview, it is a good idea to work out a personal budget before they go.

It is very important that the client goes to the interview or tell the court if they cannot go. The court can send the client to prison for not cooperating with the process, so they must act if they are sent an interview date.

4.5.18 Details

We advised the client that they have missed payments under their agreement. We advised the client that there is, therefore, still an opportunity to contact the creditor to reach an agreement with them or explore the other options that are available to them.

We advised the client that if no further action is taken then the next stage would be for the creditor, after following the Debt Pre-Action Protocol, to issue a claim against the client in the county court to obtain a County Court Judgment against the client.

We advised the client that the debt is at an early stage and so there is opportunity to prevent any court action, however this is the ultimate sanction and if a County Court Judgment is obtained, this will add additional costs to the debt and can then be enforced. A County Court Judgment can be enforced through a number of methods including Attachment of Earnings Orders, Charging Orders, County Court Bailiffs, High Court Enforcement or a Third Party Debt Order, depending on your circumstances at the time of the enforcement.

We advised the client that any missed payments for personal debts will not usually show on the client's credit reference file, however should further action such as a County Court Judgment be obtained then these will have be registered and have an impact on the client's credit file.

4.5.19 Details

We advised the client that they have missed payments under their agreement and a claim has been made in the county court and a judgment made against the client.

We advised the client that as they have informed us that a claim had been issued against them in the county court and a judgment has been obtained.

We advised the client that before a creditor can issue a claim, they have to follow the pre-action protocol which describes the way the client and the creditor are expected to behave, and the actions the client should take, before a court claim for payment of a debt is started.

We advised that the client that as part of the claim they would have received a 'claim form' from the court and they would have had the opportunity to reply to make their offer of repayment. This is called the 'admission form' or N9A.

We advised that if the creditor accepted the offer, the client received a CCJ from the court telling them to pay in monthly instalments. If the creditor did not accept the offer, the court would decide (or 'determine') what the client should pay each month.

We advised the client that if they client cannot afford what the court has decided should be paid, the client can apply to the court to look at the offer again. This is called a 're-determination'. There is no fee for this. The client must do this within 14 days of getting the order. The client can do this by simply writing a letter to the County Court. Quote the case number. Attach the budget summary and explain why the client disagrees with the order the court has made.

The re-determination will be done by a District Judge. Where an order was made by the court staff, the District Judge can decide to have a hearing or make a decision by looking at the papers. The client can ask for a hearing when they write to the court and ask them to look at the case again.

If a District Judge made the original order without a hearing, then the re-determination of the offer must be decided at a hearing. If there is a hearing, the case will automatically be transferred to the client's local County Court hearing centre so the client can attend. The court will send a hearing date which the client must attend. We advised the client that they should send the payments to the creditor, not the court. Keep a record of what they have paid and when. We advised the client that they could ask the creditor for a payment booklet to make it easier to pay or set up a direct debit or standing order.

If a District Judge made the first order on how much the client should pay at a hearing, the client cannot apply for a re-determination but must apply for the monthly payments to be reduced, or 'varied'.

We advised that a CCJ will normally be recorded on a public register called the Register of Judgments, Orders and Fines. This information is also registered on the client's credit reference file. The information will stay on their credit reference file and the Register of Judgments, Orders and Fines for six years from the date the CCJ was made, unless the client pays the CCJ in full within one calendar month.

If the client pays the CCJ in full after one calendar month, they can ask for the entry to be marked as 'satisfied' if the client provides proof of payment, but the CCJ will still stay on the client's credit reference file. This is likely to affect the client's ability to get credit.

The monthly payments you have been ordered to make may be reduced if your circumstances change or if you can't afford them. You can apply for a reduction using form N245 which you can get from the local County Court hearing centre. There is a fee to pay. If you are on a low income or certain benefits, you may not have to pay the fee. If you have missed a payment because your circumstances have changed, you can use an N245 to apply for a reduction in your payments. If successful, this may stop your creditor from taking further action. See our Varying a CCJ fact sheet for more information.

There will usually be a fee to pay with the application but this may not have to be paid if the client is on a low income at the time of the application.

Enforcement

The creditor will have to pay a fee to County Court for applications to enforce payment. The creditor will add the fee to your debt and in some cases there may be extra court costs which they can add as well.

The creditor may be able to take further action against the client to enforce payment through the court. They can only take certain types of enforcement action if the client has not paid the CCJ as the court ordered. The methods of enforcement are explained in the following sections.

Information order

Before using enforcement action, a creditor may ask the client to go to a court for an interview about their income, outgoings and any assets they have, such as their house. This is called an 'information order'.

Creditors can ask the court to arrange an information order interview at any time and not just when the client misses a payment. The interview consists of a set of standard questions and the client may be asked to bring things like pay slips, outstanding bills and credit agreements to the interview. We advised the client that if they are asked to go to court for an information order interview, it is a good idea to work out a personal budget before they go.

It is very important that the client goes to the interview or tell the court if they cannot go. The court can send the client to prison for not cooperating with the process, so they must act if they are sent an interview date.

4.5.20 Details

Attachment of earnings order

The creditor can only apply for an attachment of earnings order if:

- the client is employed; and
- the client has not paid the CCJ as the court ordered.

This means that the court can order the client's employer to deduct a regular amount from their wages to pay back the debt. The creditor has to make an application to the court and the client will be sent a form to fill in and return to the court outlining the income and outgoings. The court then sets the amount that will be taken from the client's wages. The client can ask the court to suspend an attachment of earnings order if their job will be affected.

4.5.21 Details

We advised the client that they have missed payments under their agreement, received a Default Notice, a claim has been made in the county court and a judgment made against the client.

We advised that when they received the Default Notice, they had 14 days to catch up with payments but as they were not able to do this, the account has defaulted. As such, the creditor can demand payment of the debt in full, pass the debt to a debt collection agency, sell the debt to a debt purchasing company and/or, after following the Debt Pre-Action Protocol, issue a claim against the client in the county court to obtain a County Court Judgment against the client.

We advised the client that as they have informed us that a claim had been issued against them in the county court and a judgment has been obtained.

We advised the client that before a creditor can issue a claim, they have to follow the pre-action protocol which describes the way the client and the creditor are expected to behave, and the actions the client should take, before a court claim for payment of a debt is started.

We advised that the client that as part of the claim they would have received a 'claim form' from the court and they would have had the opportunity to reply to make their offer of repayment. This is called the 'admission form' or N9A.

We advised that if the creditor accepted the offer, the client received a CCJ from the court telling them to pay in monthly instalments. If the creditor did not accept the offer, the court would decide (or 'determine') what the client should pay each month.

We advised the client that if they client cannot afford what the court has decided should be paid, the client can apply to the court to look at the offer again. This is called a 're-determination'. There is no fee for this. The client must do this within 14 days of getting the order. The client can do this by simply writing a letter to the County Court. Quote the case number. Attach the budget summary and explain why the client disagrees with the order the court has made.

The re-determination will be done by a District Judge. Where an order was made by the court staff, the District Judge can decide to have a hearing or make a decision by looking at the papers. The client can ask for a hearing when they write to the court and ask them to look at the case again.

If a District Judge made the original order without a hearing, then the re-determination of the offer must be decided at a hearing. If there is a hearing, the case will automatically be transferred to the client's local County Court hearing centre so the client can attend. The court will send a hearing date which the client must attend. We advised the client that they should send the payments to the creditor, not the court. Keep a record of what they have paid and when. We advised the client that they could ask the creditor for a payment booklet to make it easier to pay or set up a direct debit or standing order.

If a District Judge made the first order on how much the client should pay at a hearing, the client cannot apply for a re-determination but must apply for the monthly payments to be reduced, or 'varied'.

We advised that a CCJ will normally be recorded on a public register called the Register of Judgments, Orders and Fines. This information is also registered on the client's credit reference file. The information will stay on their credit reference file and the Register of Judgments, Orders and Fines for six years from the date the CCJ was made, unless the client pays the CCJ in full within one calendar month.

If the client pays the CCJ in full after one calendar month, they can ask for the entry to be marked as 'satisfied' if the client provides proof of payment, but the CCJ will still stay on the client's credit reference file. This is likely to affect the client's ability to get credit.

The monthly payments you have been ordered to make may be reduced if your circumstances change or if you can't afford them. You can apply for a reduction using form N245 which you can get from the local County Court hearing centre. There is a fee to pay. If you are on a low income or certain benefits, you may not have to pay the fee. If you have missed a payment because your circumstances have changed, you can use an N245 to apply for a reduction in your payments. If successful, this may stop your creditor from taking further action. See our Varying a CCJ fact sheet for more information.

There will usually be a fee to pay with the application but this may not have to be paid if the client is on a low income at the time of the application.

Enforcement

The creditor will have to pay a fee to County Court for applications to enforce payment. The creditor will add the fee to your debt and in some cases there may be extra court costs which they can add as well.

The creditor may be able to take further action against the client to enforce payment through the court. They can only take certain types of enforcement action if the client has not paid the CCJ as the court ordered. The methods of enforcement are explained in the following sections.

Information order

Before using enforcement action, a creditor may ask the client to go to a court for an interview about their income, outgoings and any assets they have, such as their house. This is called an 'information order'.

Creditors can ask the court to arrange an information order interview at any time and not just when the client misses a payment. The interview consists of a set of standard questions and the client may be asked to bring things like pay slips, outstanding bills and credit agreements to the interview. We advised the client that if they are asked to go to court for an information order interview, it is a good idea to work out a personal budget before they go.

It is very important that the client goes to the interview or tell the court if they cannot go. The court can send the client to prison for not cooperating with the process, so they must act if they are sent an interview date.

4.5.22 Details

Attachment of earnings order

The creditor can only apply for an attachment of earnings order if:

- the client is employed; and
- the client has not paid the CCJ as the court ordered.

This means that the court can order the client's employer to deduct a regular amount from their wages to pay back the debt. The creditor has to make an application to the court and the client will be sent a form to fill in and return to the court outlining the income and outgoings. The court then sets the amount that will be taken from the client's wages. The client can ask the court to suspend an attachment of earnings order if their job will be affected.

4.5.23 Details

Charging order

The creditor can ask the court to put a charge on the client's home which secures the debt. This means it should be paid off when the house is sold.

If your creditor applies for a CCJ on or after 1 October 2012, they can apply for a charging order even if the client keeps to the payments that the court ordered the client to pay. If your creditor applied for a CCJ before 1 October 2012, they can only apply for a charging order if the client has not kept to the payments that the court ordered the client to pay.

A charging order application is a two-stage process. If the client objects in time, there must be a hearing in front of a judge before it is made final. Having a final charging order does not mean the client will lose their home. A further application has to be made asking the court to order a sale of the client's home.

Most creditors are prepared to wait for the client to sell their home until some point in the future, and to be paid out of the proceeds of the sale. If a creditor does make an order for sale application, a hearing will be arranged and the court has the final decision about whether the order should be granted.

Bailiffs

If the client has not paid their CCJ as the court ordered, the creditor can ask county court bailiffs (also known as enforcement officers) to call at the client's home with the aim of taking the client's goods. Bailiffs do not have the right to come into the client's home unless the client has let them in before. Do not let them in. The client may be able to get a bailiff's warrant suspended using a county court form called an N245.

Third party debt order

The creditor can instruct someone who owes the client money to pay the creditor instead. The creditor can only use this type of enforcement if the client has not paid the CCJ as the court ordered. The most likely way a third party debt order would be used is where the creditor finds out the client has savings in the bank and wants the bank to pay your savings to the creditor. It is a fairly unusual procedure which involves a hearing in front of the District Judge and a court order freezing the account.

High Court

If the CCJ is for a debt which is not regulated by the Consumer Credit Act 1974, your creditor can enforce it in the High Court by taking control of goods. Business and trade creditors are likely to do this. Also, it can sometimes be done for unpaid nursery fees, funeral charges or even water charges. 'Taking control of goods' involves High Court Enforcement Officers (HCEOs) visiting you. HCEOs are High Court bailiffs. See our High Court enforcement fact sheet for more information..

4.5.24 Details

Charging order

The creditor can ask the court to put a charge on the client's home which secures the debt. This means it should be paid off when the house is sold.

If your creditor applies for a CCJ on or after 1 October 2012, they can apply for a charging order even if the client keeps to the payments that the court ordered the client to pay. If your creditor applied for a CCJ before 1 October 2012, they can only apply for a charging order if the client has not kept to the payments that the court ordered the client to pay.

A charging order application is a two-stage process. If the client objects in time, there must be a hearing in front of a judge before it is made final. Having a final charging order does not mean the client will lose their home. A further application has to be made asking the court to order a sale of the client's home.

Most creditors are prepared to wait for the client to sell their home until some point in the future, and to be paid out of the proceeds of the sale. If a creditor does make an order for sale application, a hearing will be arranged and the court has the final decision about whether the order should be granted.

Bailiffs

If the client has not paid their CCJ as the court ordered, the creditor can ask county court bailiffs (also known as enforcement officers) to call at the client's home with the aim of taking the client's goods. Bailiffs do not have the right to come into the client's home unless the client has let them in before. Do not let them in. The client may be able to get a bailiff's warrant suspended using a county court form called an N245.

Third party debt order

The creditor can instruct someone who owes the client money to pay the creditor instead. The creditor can only use this type of enforcement if the client has not paid the CCJ as the court ordered. The most likely way a third party debt order would be used is where the creditor finds out the client has savings in the bank and wants the bank to pay your savings to the creditor. It is a fairly unusual procedure which involves a hearing in front of the District Judge and a court order freezing the account.

High Court

If the CCJ is for a debt which is not regulated by the Consumer Credit Act 1974, your creditor can enforce it in the High Court by taking control of goods. Business and trade creditors are likely to do this. Also, it can sometimes be done for unpaid nursery fees, funeral charges or even water charges. 'Taking control of goods' involves High Court Enforcement Officers (HCEOs) visiting you. HCEOs are High Court bailiffs. See our High Court enforcement fact sheet for more information..

4.5.25 Details

We advised the client that they have missed payments under their agreement but have not yet received court action. We advised the client that there is, therefore, still an opportunity to contact the creditor to reach an agreement with them or explore the other options that are available to them.

We advised the client that if no further action is taken then the next stage would be for the creditor to demand payment of the debt in full, pass the debt to a debt collection agency, sell the debt to a debt purchasing company and/or, after following the Debt Pre-Action Protocol, issue a claim against the client in the county court to obtain a County Court Judgment against the client.

We advised the client that the debt is at an early stage and so there is opportunity to prevent any court action, however this is the ultimate sanction and if a County Court Judgment is obtained, this will add additional costs to the debt and can then be enforced. A County Court Judgment can be enforced through a number of methods including Attachment of Earnings Orders, Charging Orders, County Court Bailiffs, High Court Enforcement or a Third Party Debt Order, depending on your circumstances at the time of the enforcement.

We advised the client that any missed payments will show on the client's credit reference file and may impact on the client's ability to obtain credit in the next 6 years, however, should further action such as a Default Notice or County Court Judgment be obtained then these will have an even greater impact on the client's credit file.

4.5.26 Details

We advised the client that they have missed payments under their agreement, a claim has been made in the county court and a judgment made against the client.

We advised that the creditor can demand payment of the debt in full, pass the debt to a debt collection agency, sell the debt to a debt purchasing company and/or, after following the Debt Pre-Action Protocol, issue a claim against the client in the county court to obtain a County Court Judgment against the client.

We advised the client that as they have informed us that a claim had been issued against them in the county court and a judgment has been obtained.

We advised the client that before a creditor can issue a claim, they have to follow the pre-action protocol which describes the way the client and the creditor are expected to behave, and the actions the client should take, before a court claim for payment of a debt is started.

We advised that the client that as part of the claim they would have received a 'claim form' from the court and they would have had the opportunity to reply to make their offer of repayment. This is called the 'admission form' or N9A.

We advised that if the creditor accepted the offer, the client received a CCJ from the court telling them to pay in monthly instalments. If the creditor did not accept the offer, the court would decide (or 'determine') what the client should pay each month.

We advised the client that if they client cannot afford what the court has decided should be paid, the client can apply to the court to look at the offer again. This is called a 're-determination'. There is no fee for this. The client must do this within 14 days of getting the order. The client can do this by simply writing a letter to the County Court. Quote the case number. Attach the budget summary and explain why the client disagrees with the order the court has made.

The re-determination will be done by a District Judge. Where an order was made by the court staff, the District Judge can decide to have a hearing or make a decision by looking at the papers. The client can ask for a hearing when they write to the court and ask them to look at the case again.

If a District Judge made the original order without a hearing, then the re-determination of the offer must be decided at a hearing. If there is a hearing, the case will automatically be transferred to the client's local County Court hearing centre so the client can attend. The court will send a hearing date which the client must attend. We advised the client that they should send the payments to the creditor, not the court. Keep a record of what they have paid and when. We advised the client that they could ask the creditor for a payment booklet to make it easier to pay or set up a direct debit or standing order.

If a District Judge made the first order on how much the client should pay at a hearing, the client cannot apply for a re-determination but must apply for the monthly payments to be reduced, or 'varied'.

We advised that a CCJ will normally be recorded on a public register called the Register of Judgments, Orders and Fines. This information is also registered on the client's credit reference file. The information will stay on their credit reference file and the Register of Judgments, Orders and Fines for six years from the date the CCJ was made, unless the client pays the CCJ in full within one calendar month.

If the client pays the CCJ in full after one calendar month, they can ask for the entry to be marked as 'satisfied' if the client provides proof of payment, but the CCJ will still stay on the client's credit reference file. This is likely to affect the client's ability to get credit.

The monthly payments you have been ordered to make may be reduced if your circumstances change or if you can't afford them. You can apply for a reduction using form N245 which you can get from the local County Court hearing centre. There is a fee to pay. If you are on a low income or certain benefits, you may not have to pay the fee. If you have missed a payment because your circumstances have changed, you can use an N245 to apply for a reduction in your payments. If successful, this may stop your creditor from taking further action. See our Varying a CCJ fact sheet for more information.

There will usually be a fee to pay with the application but this may not have to be paid if the client is on a low income at the time of the application.

Enforcement

The creditor will have to pay a fee to County Court for applications to enforce payment. The creditor will add the fee to your debt and in some cases there may be extra court costs which they can add as well.

The creditor may be able to take further action against the client to enforce payment through the court. They can only take certain types of enforcement action if the client has not paid the CCJ as the court ordered. The methods of enforcement are explained in the following sections.

Information order

Before using enforcement action, a creditor may ask the client to go to a court for an interview about their income, outgoings and any assets they have, such as their house. This is called an 'information order'.

Creditors can ask the court to arrange an information order interview at any time and not just when the client misses a payment. The interview consists of a set of standard questions and the client may be asked to bring things like pay slips, outstanding bills and credit agreements to the interview. We advised the client that if they are asked to go to court for an information order interview, it is a good idea to work out a personal budget before they go.

It is very important that the client goes to the interview or tell the court if they cannot go. The court can send the client to prison for not cooperating with the process, so they must act if they are sent an interview date.

4.5.27 Details

Charging order

The creditor can ask the court to put a charge on the client's home which secures the debt. This means it should be paid off when the house is sold.

If your creditor applies for a CCJ on or after 1 October 2012, they can apply for a charging order even if the client keeps to the payments that the court ordered the client to pay. If your creditor applied for a CCJ before 1 October 2012, they can only apply for a charging order if the client has not kept to the payments that the court ordered the client to pay.

A charging order application is a two-stage process. If the client objects in time, there must be a hearing in front of a judge before it is made final. Having a final charging order does not mean the client will lose their home. A further application has to be made asking the court to order a sale of the client's home.

Most creditors are prepared to wait for the client to sell their home until some point in the future, and to be paid out of the proceeds of the sale. If a creditor does make an order for sale application, a hearing will be arranged and the court has the final decision about whether the order should be granted.

Bailiffs

If the client has not paid their CCJ as the court ordered, the creditor can ask county court bailiffs (also known as enforcement officers) to call at the client's home with the aim of taking the client's goods. Bailiffs do not have the right to come into the client's home unless the client has let them in before. Do not let them in. The client may be able to get a bailiff's warrant suspended using a county court form called an N245.

Third party debt order

The creditor can instruct someone who owes the client money to pay the creditor instead. The creditor can only use this type of enforcement if the client has not paid the CCJ as the court ordered. The most likely way a third party debt order would be used is where the creditor finds out the client has savings in the bank and wants the bank to pay your savings to the creditor. It is a fairly unusual procedure which involves a hearing in front of the District Judge and a court order freezing the account.

High Court

If the CCJ is for a debt which is not regulated by the Consumer Credit Act 1974, your creditor can enforce it in the High Court by taking control of goods. Business and trade creditors are likely to do this. Also, it can sometimes be done for unpaid nursery fees, funeral charges or even water charges. 'Taking control of goods' involves High Court Enforcement Officers (HCEOs) visiting you. HCEOs are High Court bailiffs. See our High Court enforcement fact sheet for more information.

4.5.28 Details

Charging order

The creditor can ask the court to put a charge on the client's home which secures the debt. This means it should be paid off when the house is sold.

If your creditor applies for a CCJ on or after 1 October 2012, they can apply for a charging order even if the client keeps to the payments that the court ordered the client to pay. If your creditor applied for a CCJ before 1 October 2012, they can only apply for a charging order if the client has not kept to the payments that the court ordered the client to pay.

A charging order application is a two-stage process. If the client objects in time, there must be a hearing in front of a judge before it is made final. Having a final charging order does not mean the client will lose their home. A further application has to be made asking the court to order a sale of the client's home.

Most creditors are prepared to wait for the client to sell their home until some point in the future, and to be paid out of the proceeds of the sale. If a creditor does make an order for sale application, a hearing will be arranged and the court has the final decision about whether the order should be granted.

Bailiffs

If the client has not paid their CCJ as the court ordered, the creditor can ask county court bailiffs (also known as enforcement officers) to call at the client's home with the aim of taking the client's goods. Bailiffs do not have the right to come into the client's home unless the client has let them in before. Do not let them in. The client may be able to get a bailiff's warrant suspended using a county court form called an N245.

Third party debt order

The creditor can instruct someone who owes the client money to pay the creditor instead. The creditor can only use this type of enforcement if the client has not paid the CCJ as the court ordered. The most likely way a third party debt order would be used is where the creditor finds out the client has savings in the bank and wants the bank to pay your savings to the creditor. It is a fairly unusual procedure which involves a hearing in front of the District Judge and a court order freezing the account.

High Court

If the CCJ is for a debt which is not regulated by the Consumer Credit Act 1974, your creditor can enforce it in the High Court by taking control of goods. Business and trade creditors are likely to do this. Also, it can sometimes be done for unpaid nursery fees, funeral charges or even water charges. 'Taking control of goods' involves High Court Enforcement Officers (HCEOs) visiting you. HCEOs are High Court bailiffs. See our High Court enforcement fact sheet for more information.

4.5.29 Details

We advised the client that they have missed payments under their agreement but no court action has been taken. We advised the client that there is, therefore, still an opportunity to contact the creditor to reach an agreement with them or explore the other options that are available to them.

We advised the client that if no further action is taken then the next stage would be for the creditor to demand payment of the debt in full, pass the debt to a debt collection agency, sell the debt to a debt purchasing company and/or, after following the Debt Pre-Action Protocol, issue a claim against the client in the county court to obtain a County Court Judgment against the client.

We advised the client that the debt is at an early stage and so there is opportunity to prevent any court action, however this is the ultimate sanction and if a County Court Judgment is obtained, this will add additional costs to the debt and can then be enforced. A County Court Judgment can be enforced through a number of methods including Attachment of Earnings Orders, Charging Orders, County Court Bailiffs, High Court Enforcement or a Third Party Debt Order, depending on your circumstances at the time of the enforcement.

We advised the client that any missed payments will show not usually show on the client's credit reference file, however, should further action such as a County Court Judgment be obtained then these will have an impact on the client's credit file.

4.5.30 Details

We advised the client that they have missed payments under their agreement, a claim has been made in the county court and a judgment made against the client.

We advised that the creditor can demand payment of the debt in full, pass the debt to a debt collection agency, sell the debt to a debt purchasing company and/or, after following the Debt Pre-Action Protocol, issue a claim against the client in the county court to obtain a County Court Judgment against the client.

We advised the client that as they have informed us that a claim had been issued against them in the county court and a judgment has been obtained.

We advised the client that before a creditor can issue a claim, they have to follow the pre-action protocol which describes the way the client and the creditor are expected to behave, and the actions the client should take, before a court claim for payment of a debt is started.

We advised that the client that as part of the claim they would have received a 'claim form' from the court and they would have had the opportunity to reply to make their offer of repayment. This is called the 'admission form' or N9A.

We advised that if the creditor accepted the offer, the client received a CCJ from the court telling them to pay in monthly instalments. If the creditor did not accept the offer, the court would decide (or 'determine') what the client should pay each month.

We advised the client that if they client cannot afford what the court has decided should be paid, the client can apply to the court to look at the offer again. This is called a 're-determination'. There is no fee for this. The client must do this within 14 days of getting the order. The client can do this by simply writing a letter to the County Court. Quote the case number. Attach the budget summary and explain why the client disagrees with the order the court has made.

The re-determination will be done by a District Judge. Where an order was made by the court staff, the District Judge can decide to have a hearing or make a decision by looking at the papers. The client can ask for a hearing when they write to the court and ask them to look at the case again.

If a District Judge made the original order without a hearing, then the re-determination of the offer must be decided at a hearing. If there is a hearing, the case will automatically be transferred to the client's local County Court hearing centre so the client can attend. The court will send a hearing date which the client must attend. We advised the client that they should send the payments to the creditor, not the court. Keep a record of what they have paid and when. We advised the client that they could ask the creditor for a payment booklet to make it easier to pay or set up a direct debit or standing order.

If a District Judge made the first order on how much the client should pay at a hearing, the client cannot apply for a re-determination but must apply for the monthly payments to be reduced, or 'varied'.

We advised that a CCJ will normally be recorded on a public register called the Register of Judgments, Orders and Fines. This information is also registered on the client's credit reference file. The information will stay on their credit reference file and the Register of Judgments, Orders and Fines for six years from the date the CCJ was made, unless the client pays the CCJ in full within one calendar month.

If the client pays the CCJ in full after one calendar month, they can ask for the entry to be marked as 'satisfied' if the client provides proof of payment, but the CCJ will still stay on the client's credit reference file. This is likely to affect the client's ability to get credit.

The monthly payments you have been ordered to make may be reduced if your circumstances change or if you can't afford them. You can apply for a reduction using form N245 which you can get from the local County Court hearing centre. There is a fee to pay. If you are on a low income or certain benefits, you may not have to pay the fee. If you have missed a payment because your circumstances have changed, you can use an N245 to apply for a reduction in your payments. If successful, this may stop your creditor from taking further action. See our Varying a CCJ fact sheet for more information.

There will usually be a fee to pay with the application but this may not have to be paid if the client is on a low income at the time of the application.

Enforcement

The creditor will have to pay a fee to County Court for applications to enforce payment. The creditor will add the fee to your debt and in some cases there may be extra court costs which they can add as well.

The creditor may be able to take further action against the client to enforce payment through the court. They can only take certain types of enforcement action if the client has not paid the CCJ as the court ordered. The methods of enforcement are explained in the following sections.

Information order

Before using enforcement action, a creditor may ask the client to go to a court for an interview about their income, outgoings and any assets they have, such as their house. This is called an 'information order'.

Creditors can ask the court to arrange an information order interview at any time and not just when the client misses a payment. The interview consists of a set of standard questions and the client may be asked to bring things like pay slips, outstanding bills and credit agreements to the interview. We advised the client that if they are asked to go to court for an information order interview, it is a good idea to work out a personal budget before they go.

It is very important that the client goes to the interview or tell the court if they cannot go. The court can send the client to prison for not cooperating with the process, so they must act if they are sent an interview date.

4.5.31 Details

Attachment of earnings order

The creditor can only apply for an attachment of earnings order if:

- the client is employed; and
- the client has not paid the CCJ as the court ordered.

This means that the court can order the client's employer to deduct a regular amount from their wages to pay back the debt. The creditor has to make an application to the court and the client will be sent a form to fill in and return to the court outlining the income and outgoings. The court then sets the amount that will be taken from the client's wages. The client can ask the court to suspend an attachment of earnings order if their job will be affected.

4.5.32 Details

Charging order

The creditor can ask the court to put a charge on the client's home which secures the debt. This means it should be paid off when the house is sold.

If your creditor applies for a CCJ on or after 1 October 2012, they can apply for a charging order even if the client keeps to the payments that the court ordered the client to pay. If your creditor applied for a CCJ before 1 October 2012, they can only apply for a charging order if the client has not kept to the payments that the court ordered the client to pay.

A charging order application is a two-stage process. If the client objects in time, there must be a hearing in front of a judge before it is made final. Having a final charging order does not mean the client will lose their home. A further application has to be made asking the court to order a sale of the client's home.

Most creditors are prepared to wait for the client to sell their home until some point in the future, and to be paid out of the proceeds of the sale. If a creditor does make an order for sale application, a hearing will be arranged and the court has the final decision about whether the order should be granted.

Bailiffs

If the client has not paid their CCJ as the court ordered, the creditor can ask county court bailiffs (also known as enforcement officers) to call at the client's home with the aim of taking the client's goods. Bailiffs do not have the right to come into the client's home unless the client has let them in before. Do not let them in. The client may be able to get a bailiff's warrant suspended using a county court form called an N245.

Third party debt order

The creditor can instruct someone who owes the client money to pay the creditor instead. The creditor can only use this type of enforcement if the client has not paid the CCJ as the court ordered. The most likely way a third party debt order would be used is where the creditor finds out the client has savings in the bank and wants the bank to pay your savings to the creditor. It is a fairly unusual procedure which involves a hearing in front of the District Judge and a court order freezing the account.

High Court

If the CCJ is for a debt which is not regulated by the Consumer Credit Act 1974, your creditor can enforce it in the High Court by taking control of goods. Business and trade creditors are likely to do this. Also, it can sometimes be done for unpaid nursery fees, funeral charges or even water charges. 'Taking control of goods' involves High Court Enforcement Officers (HCEOs) visiting you. HCEOs are High Court bailiffs. See our High Court enforcement fact sheet for more information.

4.5.33 Details

Charging order

The creditor can ask the court to put a charge on the client's home which secures the debt. This means it should be paid off when the house is sold.

If your creditor applies for a CCJ on or after 1 October 2012, they can apply for a charging order even if the client keeps to the payments that the court ordered the client to pay. If your creditor applied for a CCJ before 1 October 2012, they can only apply for a charging order if the client has not kept to the payments that the court ordered the client to pay.

A charging order application is a two-stage process. If the client objects in time, there must be a hearing in front of a judge before it is made final. Having a final charging order does not mean the client will lose their home. A further application has to be made asking the court to order a sale of the client's home.

Most creditors are prepared to wait for the client to sell their home until some point in the future, and to be paid out of the proceeds of the sale. If a creditor does make an order for sale application, a hearing will be arranged and the court has the final decision about whether the order should be granted.

Bailiffs

If the client has not paid their CCJ as the court ordered, the creditor can ask county court bailiffs (also known as enforcement officers) to call at the client's home with the aim of taking the client's goods. Bailiffs do not have the right to come into the client's home unless the client has let them in before. Do not let them in. The client may be able to get a bailiff's warrant suspended using a county court form called an N245.

Third party debt order

The creditor can instruct someone who owes the client money to pay the creditor instead. The creditor can only use this type of enforcement if the client has not paid the CCJ as the court ordered. The most likely way a third party debt order would be used is where the creditor finds out the client has savings in the bank and wants the bank to pay your savings to the creditor. It is a fairly unusual procedure which involves a hearing in front of the District Judge and a court order freezing the account.

High Court

If the CCJ is for a debt which is not regulated by the Consumer Credit Act 1974, your creditor can enforce it in the High Court by taking control of goods. Business and trade creditors are likely to do this. Also, it can sometimes be done for unpaid nursery fees, funeral charges or even water charges. 'Taking control of goods' involves High Court Enforcement Officers (HCEOs) visiting you. HCEOs are High Court bailiffs. See our High Court enforcement fact sheet for more information.

4.5.34 Details

>We advised the client that they have missed payments under their agreement but have not yet received a default notice. We advised the client that there is, therefore, still an opportunity to contact the creditor to reach an agreement with them or explore the other options that are available to them.

We advised the client that if no further action is taken then the next stage would be for the creditor to issue the default notice. This gives the client 14 days to catch up with payments and if they do, the account will carry on, but if they cannot then the account will default. If the account defaults, the creditor will then be able to demand payment of the debt in full, pass the debt to a debt collection agency, sell the debt to a debt purchasing company and/or, after following the Debt Pre-Action Protocol, issue a claim against the client in the county court to obtain a County Court Judgment against the client.

We advised the client that the debt is at an early stage and so there is opportunity to prevent any court action, however this is the ultimate sanction and if a County Court Judgment is obtained, this will add additional costs to the debt and can then be enforced. A County Court Judgment can be enforced through a number of methods including Attachment of Earnings Orders, Charging Orders, County Court Bailiffs, High Court Enforcement or a Third Party Debt Order, depending on your circumstances at the time of the enforcement.

We advised the client that any missed payments will show on the client's credit reference file and may impact on the client's ability to obtain credit in the next 6 years, however,, should further action such as a Default Notice or County Court Judgment be obtained then these will have an even greater impact on the client's credit file.

4.5.35 Details

We advised the client that they have missed payments under their agreement, received a Default Notice, a claim has been made in the county court and a judgment made against the client.

We advised that when they received the Default Notice, they had 14 days to catch up with payments but as they were not able to do this, the account has defaulted. As such, the creditor can demand payment of the debt in full, pass the debt to a debt collection agency, sell the debt to a debt purchasing company and/or, after following the Debt Pre-Action Protocol, issue a claim against the client in the county court to obtain a County Court Judgment against the client.

We advised the client that as they have informed us that a claim had been issued against them in the county court and a judgment has been obtained.

We advised the client that before a creditor can issue a claim, they have to follow the pre-action protocol which describes the way the client and the creditor are expected to behave, and the actions the client should take, before a court claim for payment of a debt is started.

We advised that the client that as part of the claim they would have received a 'claim form' from the court and they would have had the opportunity to reply to make their offer of repayment. This is called the 'admission form' or N9A.

We advised that if the creditor accepted the offer, the client received a CCJ from the court telling them to pay in monthly instalments. If the creditor did not accept the offer, the court would decide (or 'determine') what the client should pay each month.

We advised the client that if they client cannot afford what the court has decided should be paid, the client can apply to the court to look at the offer again. This is called a 're-determination'. There is no fee for this. The client must do this within 14 days of getting the order. The client can do this by simply writing a letter to the County Court. Quote the case number. Attach the budget summary and explain why the client disagrees with the order the court has made.

The re-determination will be done by a District Judge. Where an order was made by the court staff, the District Judge can decide to have a hearing or make a decision by looking at the papers. The client can ask for a hearing when they write to the court and ask them to look at the case again.

If a District Judge made the original order without a hearing, then the re-determination of the offer must be decided at a hearing. If there is a hearing, the case will automatically be transferred to the client's local County Court hearing centre so the client can attend. The court will send a hearing date which the client must attend. We advised the client that they should send the payments to the creditor, not the court. Keep a record of what they have paid and when. We advised the client that they could ask the creditor for a payment booklet to make it easier to pay or set up a direct debit or standing order.

If a District Judge made the first order on how much the client should pay at a hearing, the client cannot apply for a re-determination but must apply for the monthly payments to be reduced, or 'varied'.

We advised that a CCJ will normally be recorded on a public register called the Register of Judgments, Orders and Fines. This information is also registered on the client's credit reference file. The information will stay on their credit reference file and the Register of Judgments, Orders and Fines for six years from the date the CCJ was made, unless the client pays the CCJ in full within one calendar month.

If the client pays the CCJ in full after one calendar month, they can ask for the entry to be marked as 'satisfied' if the client provides proof of payment, but the CCJ will still stay on the client's credit reference file. This is likely to affect the client's ability to get credit.

The monthly payments you have been ordered to make may be reduced if your circumstances change or if you can't afford them. You can apply for a reduction using form N245 which you can get from the local County Court hearing centre. There is a fee to pay. If you are on a low income or certain benefits, you may not have to pay the fee. If you have missed a payment because your circumstances have changed, you can use an N245 to apply for a reduction in your payments. If successful, this may stop your creditor from taking further action. See our Varying a CCJ fact sheet for more information.

There will usually be a fee to pay with the application but this may not have to be paid if the client is on a low income at the time of the application.

Enforcement

The creditor will have to pay a fee to County Court for applications to enforce payment. The creditor will add the fee to your debt and in some cases there may be extra court costs which they can add as well.

The creditor may be able to take further action against the client to enforce payment through the court. They can only take certain types of enforcement action if the client has not paid the CCJ as the court ordered. The methods of enforcement are explained in the following sections.

Information order

Before using enforcement action, a creditor may ask the client to go to a court for an interview about their income, outgoings and any assets they have, such as their house. This is called an 'information order'.

Creditors can ask the court to arrange an information order interview at any time and not just when the client misses a payment. The interview consists of a set of standard questions and the client may be asked to bring things like pay slips, outstanding bills and credit agreements to the interview. We advised the client that if they are asked to go to court for an information order interview, it is a good idea to work out a personal budget before they go.

It is very important that the client goes to the interview or tell the court if they cannot go. The court can send the client to prison for not cooperating with the process, so they must act if they are sent an interview date.

4.5.36 Details

Attachment of earnings order

The creditor can only apply for an attachment of earnings order if:
the client is employed; and
the client has not paid the CCJ as the court ordered.

This means that the court can order the client's employer to deduct a regular amount from their wages to pay back the debt. The creditor has to make an application to the court and the client will be sent a form to fill in and return to the court outlining the income and outgoings. The court then sets the amount that will be taken from the client's wages. The client can ask the court to suspend an attachment of earnings order if their job will be affected.

4.5.37 Details

Charging order

The creditor can ask the court to put a charge on the client's home which secures the debt. This means it should be paid off when the house is sold.

If your creditor applies for a CCJ on or after 1 October 2012, they can apply for a charging order even if the client keeps to the payments that the court ordered the client to pay. If your creditor applied for a CCJ before 1 October 2012, they can only apply for a charging order if the client has not kept to the payments that the court ordered the client to pay.

A charging order application is a two-stage process. If the client objects in time, there must be a hearing in front of a judge before it is made final. Having a final charging order does not mean the client will lose their home. A further application has to be made asking the court to order a sale of the client's home.

Most creditors are prepared to wait for the client to sell their home until some point in the future, and to be paid out of the proceeds of the sale. If a creditor does make an order for sale application, a hearing will be arranged and the court has the final decision about whether the order should be granted.

Bailiffs

If the client has not paid their CCJ as the court ordered, the creditor can ask county court bailiffs (also known as enforcement officers) to call at the client's home with the aim of taking the client's goods. Bailiffs do not have the right to come into the client's home unless the client has let them in before. Do not let them in. The client may be able to get a bailiff's warrant suspended using a county court form called an N245.

Third party debt order

The creditor can instruct someone who owes the client money to pay the creditor instead. The creditor can only use this type of enforcement if the client has not paid the CCJ as the court ordered. The most likely way a third party debt order would be used is where the creditor finds out the client has savings in the bank and wants the bank to pay your savings to the creditor. It is a fairly unusual procedure which involves a hearing in front of the District Judge and a court order freezing the account.

High Court

If the CCJ is for a debt which is not regulated by the Consumer Credit Act 1974, your creditor can enforce it in the High Court by taking control of goods. Business and trade creditors are likely to do this. Also, it can sometimes be done for unpaid nursery fees, funeral charges or even water charges. 'Taking control of goods' involves High Court Enforcement Officers (HCEOs) visiting you. HCEOs are High Court bailiffs. See our High Court enforcement fact sheet for more information.

4.5.38 Details

Charging order

The creditor can ask the court to put a charge on the client's home which secures the debt. This means it should be paid off when the house is sold.

If your creditor applies for a CCJ on or after 1 October 2012, they can apply for a charging order even if the client keeps to the payments that the court ordered the client to pay. If your creditor applied for a CCJ before 1 October 2012, they can only apply for a charging order if the client has not kept to the payments that the court ordered the client to pay.

A charging order application is a two-stage process. If the client objects in time, there must be a hearing in front of a judge before it is made final. Having a final charging order does not mean the client will lose their home. A further application has to be made asking the court to order a sale of the client's home.

Most creditors are prepared to wait for the client to sell their home until some point in the future, and to be paid out of the proceeds of the sale. If a creditor does make an order for sale application, a hearing will be arranged and the court has the final decision about whether the order should be granted.

Bailiffs

If the client has not paid their CCJ as the court ordered, the creditor can ask county court bailiffs (also known as enforcement officers) to call at the client's home with the aim of taking the client's goods. Bailiffs do not have the right to come into the client's home unless the client has let them in before. Do not let them in. The client may be able to get a bailiff's warrant suspended using a county court form called an N245.

Third party debt order

The creditor can instruct someone who owes the client money to pay the creditor instead. The creditor can only use this type of enforcement if the client has not paid the CCJ as the court ordered. The most likely way a third party debt order would be used is where the creditor finds out the client has savings in the bank and wants the bank to pay your savings to the creditor. It is a fairly unusual procedure which involves a hearing in front of the District Judge and a court order freezing the account.

High Court

If the CCJ is for a debt which is not regulated by the Consumer Credit Act 1974, your creditor can enforce it in the High Court by taking control of goods. Business and trade creditors are likely to do this. Also, it can sometimes be done for unpaid nursery fees, funeral charges or even water charges. 'Taking control of goods' involves High Court Enforcement Officers (HCEOs) visiting you. HCEOs are High Court bailiffs. See our High Court enforcement fact sheet for more information.

5 Financial Statement

5.1 Proof of Income

5.1.1 Client provided proof of income & expenditure

Yes

5.1.2 What proof of income & expenditure provided

Bank statements for client and partner and consent for partner obtained

5.1.3 What proof of income/expenditure still outstanding

None

5.2 Status of SFS

5.2.1 Did you complete a financial statement with the client? (inc. explanatory notes)

Yes

5.2.2 was it a completed or draft version?

Completed version

5.2.3 Completed SFS details

We were able to complete the financial statement with the client who was able to confirm that the final statement was an accurate representation of their financial situation.

5.2.4 Variable Income/expenditure averaged?

N/A

5.2.5 Missing expenditure items?

No

5.2.6 Expenditure items high or low?

No

5.2.7 Deficit budget?

No

5.2.8 Large surplus budget?

Yes

5.2.9 Details

There is a large surplus budget.

The large surplus budget is correct and the actions to be taken about it are this is money available for debt repayment. Client has confirmed that they have allowed reasonable amounts for their essential expenditure and leisure expenditure.

5.2.10 Has a credit report been requested?

Yes

5.2.11 From where have the credit reports been requested?

The credit report has been requested from Experian

5.2.12 Evidence on file to verify debts

Yes

5.2.13 Have any Square Peg Debts been altered on SFS

N/A

5.2.14 Has Housing Benefit been recorded as income on the SFS?

N/A

5.2.15

You confirmed that the information you provided to form the financial statement was accurate and we advised you that this information is vital because any small differences can affect the advice that we give to you. We recommended that you review your budget carefully and ensure that it is realistic and covers all of your essential expenditure. Please feel free to make any changes as you see fit on the copy that we gave to you. We agreed that we will review your budget regularly.

6 Exploration of Solutions

6.1

Adviser reviewed the information provided by the client and their SFS. Based on this and the client's goal, discussed with the client their options by going through the National Debtline "Ways to Clear your Debt" factsheet. In addition, there are the options of Moratorium and Do Nothing which were discussed despite not being included in the factsheet.

We advised that not all of the options are available to the client. Some options may be available to them but are not suitable for their circumstances. The status of each option is set out below: -

6.2

We advised the client about all suitable solutions. We provided them with the National Debt Line factsheets for each of the suitable solutions. We highlighted the sections to record that we discussed the advantages/disadvantages, actual or potential consequences and implications and obligations including the impact of debt remedies on credit reference files and banking, any eligibility criteria, debts covered by that option, any costs involved, likelihood of acceptance, and any risks associated with that option, including adverse costs orders in relation to court costs being made.

Once the client had been provided with the information about which debt options were not available, not suitable and the detailed advice on their suitable options, they were in a position to decide on their solution to pursue.

6.3 Informally Negotiated Arrangement

Available & Suitable

6.4 Details

If available and suitable = We advised the client that an Informally negotiated arrangement was available to the client and suitable.

Key facts:

How much debt must I owe? There is no minimum or maximum level of debt.

What type of debt? Use this option for credit debts only, after you have dealt with priority debts.

How long will it last? There is no time limit. You may be paying for many years.

How it works

We advised the client that this option works by working out the offers of payment based on a pro-rata distribution of the client's available income. This is after they have worked out what they have to pay on any priority debts and their essential household outgoings. This means that all their creditors are offered a fair share of what they can afford to pay. We advised that they will also need to ask that any interest and charges are frozen which creditors must consider.

We advised the client that if they need to offer no payments where they have no available income, this is called a moratorium and is similar to the informally negotiated arrangement except that no payments are being made and so the creditor is only likely to accept this for a short period. We advised that small offers of payment, commonly £1 per month, can be made if this is all that can be afforded to pay. Creditors are only likely to accept this for a short time.

Advantages

Fair and transparent method of distributing payments.

Recognised by courts and widely accepted by creditors.

You can alter payments if circumstances change. You do not need an advice agency to negotiate these payments for you. You can use sample letters when negotiating with your creditors.
Through an advice agency you can use the Standard Financial Statement.

Disadvantages

Creditors may refuse your offers (although it is always worthwhile asking them to reconsider).

Creditors may refuse to freeze interest and the debt will grow. (Again, it is worthwhile asking them to reconsider.)

You will have to pay your debts off in full. This may take a long time.

Creditors may refuse offers unless made through an advice agency. (You can complain to the Financial Ombudsman Service if this happens.)

Creditors may take court action. This is a particular risk if you have larger debts and own your own home, as it may be possible for the creditor to get a charging order on your home. A charging order is a court order which secures the debt against your home like a mortgage.

You are responsible for administering all the payments yourself and keeping your creditors up to date with your circumstances.

Many creditors will often accept reduced offers for a limited period only and may ask for regular reviews.

Your ability to get further credit will be affected.

6.5 Full and Final Settlement

Unavailable

6.6 Details

No lump sum available

6.7 Write Off

Available but Unsuitable

6.8 Details

If available but unsuitable = This option is available but is not suitable because the client has several creditors and it is unlikely that all creditors will agree to a write off which would mean that the client would need another debt solution.

6.9 S.13A Write Off

Unavailable

6.10 Details

If unavailable = This option is not available because the client does not have Council Tax Arrears.

6.11 Details

If available but unsuitable = This option is available but is not suitable because the client has several creditors and it is unlikely that all creditors will agree to a write off which would mean that the client would need another debt solution.

6.12 Debt & Mental Health Evidence Form Write Off

Unavailable

6.13 Details

If unavailable = This option is not available because the client does not have a mental health condition.

6.14 Administration Order

Unavailable

6.15 Details

No CCJs and debts exceed £5000

6.16 Time Order

Available but Unsuitable

6.17 Details

If available but unsuitable = This option is available but not suitable because this strategy does not deal with all of the client's debts and another debt strategy deals with all debts.

6.18 Free DMP

Suitable & Chosen

6.19 Details

If suitable and chosen = We decided with the client that a Debt Management Plan was a suitable and chosen option.

6.20 IVA

Available & Suitable

6.21 Details

If available and suitable = We advised a client that an IVA was an available and suitable option.

We advised that an IVA is a legally-binding arrangement to pay an agreed amount off the client's debts over a set period. Any unpaid parts of the debts that were included in the IVA are written off when the arrangement is completed. An IVA can be set up in a number of different ways. It can either be a monthly instalment plan over a fixed term (normally five years), or a short-term arrangement if there is a lump sum to put forward. Some IVAs are a mixture of both instalments and a lump sum.

For an IVA to be a realistic solution, you would normally need:

- to have at least £80 spare income each month to pay towards your debts;
- to have two or more different debts; and
- to be able to pay back at least 5p for every £1 of the debt that you owe to them.

These criteria are a guide only and do not guarantee that creditors will agree to an IVA.

Assets are valuable things that you could sell to help pay your debts. In most cases, if your assets are worth more than the total amount of your debts, an IVA is not a suitable solution. However, if the value in your home (after any mortgage and secured loans have been taken off) is greater than the total amount of your debts, an IVA may still be possible.

Debt you can include

You can include most types of debt in your IVA proposal, but bear in mind that your creditors may object. You can include priority debts such as council tax arrears, tax debts, energy debts and so on. However, you cannot include:

- maintenance, or arrears of maintenance, ordered by a court;
- Child Maintenance Service or Child Support Agency arrears;
- magistrates' court fines;
- mortgage, secured loan or rent arrears unless your lender or landlord agrees (which is unlikely); and
- student loans (for IVAs made on or after 6 April 2010).

Hire purchase agreements

Be careful if you have a hire purchase agreement you want to include in your IVA. Check your agreement carefully to see if there is a clause which allows the creditor to end the agreement if you enter into an IVA.

The IVA procedure

An IVA has to be set up by an IP. An IP is usually an accountant or solicitor who is authorised to set up IVAs. Once an IP has agreed to make an IVA proposal for you, they can apply to the County Court for an 'interim order'. This stops your creditors from starting bankruptcy proceedings against you. It also stops any other enforcement action without the court's permission whilst the interim order is in force.

You can put forward an IVA proposal without applying for an interim order first. This may reduce your costs, but means your creditors can still take enforcement action against you until the IVA is agreed.

The IP sends the IVA proposal to your creditors and arranges a formal meeting called a 'creditors meeting'. Check with the IP to make sure that all your creditors have been contacted. If a creditor comes to light after the IVA is agreed and they had no notice of the meeting, they can claim the amount they would have received if they had been included in the IVA from the start.

At the meeting creditors have to vote on whether to accept the IVA. Often creditors send their vote to the IP and don't actually take part in the meeting.

The proposal has to be accepted by more than 75% 'by value' of the voting creditors for it to become legally binding on all your creditors. 'By value' means voting creditors who hold more than 75% of your total debt, not the number of creditors you have.

This means that if the creditors that are owed the highest amount vote against the proposal, the IVA may not go through.

Sometimes creditors will 'haggle' about the terms of the IVA and ask you to agree to pay more every month, or include assets you do not want to lose. They may ask you to make payments over a longer period. However, your agreement is needed before these changes are made.

If the IVA is agreed, your IP will supervise the arrangements and will check that you are making the payments.

Personal and workplace pensions

If you have a personal or workplace pension that you can claim during the proposed term of your IVA, your creditors may agree to exclude it as an asset. If they don't agree to this, the pension fund could be at risk. Check the terms and conditions of your IVA agreement and contact us for advice.

If your IVA proposal is rejected

If the IVA does not go through, then you are back to the same position as you were in before you made the application.

You will have to negotiate with all your creditors separately. You also may have lost money in fees and costs for the IVA application. Think carefully before you decide what to do next. It may not be a good idea to apply for a new IVA unless your circumstances have changed and you can improve on the proposal you made before. Contact us for advice.

Repeat interim orders

Bear in mind that if you have applied for an interim order, you have to wait 12 months before you can apply for another interim order. However, you don't usually need one to apply for an IVA.

Give complete information

If you do not give complete information to your IP about your assets and debts when you apply for an IVA, you could be committing a criminal offence.

The IVA protocol

The IVA protocol is a set of voluntary guidelines which many insolvency practitioners (IPs) follow. The guidelines cover how a straightforward consumer IVA should be put together and how the IP should behave. The protocol has been set up to make the IVA process quicker and simpler for IPs, creditors and for you as the applicant.

The IVA protocol covers the following areas.

What the IP should do to check your income and outgoings.

Your creditors should normally accept your figures if they fall within set limits.

How any equity in your home should be dealt with.

Your IP should make sure you have had full information on different ways to deal with your debts.

What to do when your income and outgoings go up or down, and what should happen if you miss any payments.

What about my home?

It is very important to understand how an IVA will affect your home before you sign any agreement.

If you are a home owner, your IP will normally want to include a special section within your IVA proposal called an 'equity clause'.

This means that during the IVA (normally in year four) you would be expected to apply for a secured loan or re-mortgage to pay back some of the debt. If you cannot do this, your IP may want you to sell your home instead.

However, if your IVA follows the IVA protocol, there is some protection. If you are able to re-mortgage or get a secured loan, then the repayments should be affordable. You should be left with equity of at least 15% of the value of your share of the property. For example, if you are the sole owner of your property and it is worth £100,000, you should be left with at least £15,000 equity after remortgaging. Also, the new mortgage should finish by the end of your existing mortgage or your state retirement age (whichever is later).

The protocol says that if you are unable to get a re-mortgage or secured loan, you can keep paying instalments under the IVA for an extra 12 months rather than selling your home. Alternatively, a third party such as a family member or friend could pay a lump sum to the IP. This lump sum would need to be 85% of the value of your share of the property (after the value of your share of any existing mortgages and secured loans has been taken away).

If your equity is greater than your debt

If the value in your home (after any mortgage and secured loans have been taken off) is greater than the total amount of your debts, an IVA is not always a suitable solution.

Re-mortgaging

You need to be careful when looking at taking out a new mortgage or secured loan. It may be difficult to find a loan from a reputable lender at a good rate of interest because your credit rating may not be good enough. You must discuss this with your IP and get advice to make sure you can afford the new payments, or you could be putting your house at risk.

Risk of bankruptcy

If you are unable to maintain the payments on your IVA there is a risk that you may be made bankrupt, which could result in you losing your home.

Finding an insolvency practitioner (IP)

Before deciding to go forward with an IVA, consider all of the solutions available to you for dealing with your debts. See the later section Alternative solutions. If you do decide that an IVA is the right solution to pay back the money you have borrowed, you will need help from an IP.

The Insolvency Service provides a searchable directory of IPs. Go to www.gov.uk and search for 'find an insolvency practitioner'. The directory gives the contact details of each IP and those of their authorising body.

Companies who charge up-front fees

Be wary of companies who suggest they can put you in touch with an IP if you pay them a fee. You can contact an IP directly without going through another company.

Before you agree to use the services of any IP, check their terms and conditions carefully including what fees may be charged. See the next section IVA charges. Check to see whether they follow the IVA protocol and make sure you shop around different IPs to compare their services and fees.

IVA charges

Always check what fees an IP will charge before signing any agreement or starting the process to set up an IVA. You will need to check what the fees cover and whether the IP will charge any up-front fees.

All IPs will charge fees for setting up and supervising an IVA. Fees vary between different firms, but typical fees can be £4,000 or more. These fees are usually taken from the monthly payment you have agreed you can afford to make to your creditors.

Many IPs will offer a free initial meeting to look at whether an IVA is suitable in your situation. Some IPs will demand an up-front fee before putting forward the IVA proposal. This could mean that if the proposal is refused by your creditors, you will lose the money you have paid to the IP up until that point. Other IPs may still charge you some fees if you start the process but then decide not to go ahead in the end.

You may be asked to pay some form of payment protection insurance to cover you against death, unemployment and so on. Your IP should tell you about any insurance cover they have arranged and how much this will cost you. It will usually be built into the initial fees you have to pay to your IP.

Change in circumstances

If your circumstances change, you must tell your IP. If you are unable to keep up with your payments, your IP can ask the creditors to accept lower payments and agree a 'modified' IVA. The IP may charge you a fee for doing this.

If you cannot make any payments or your creditors refuse to accept lower payments, your IVA may fail. If this happens, the IP may allow you to consider other options. There may be additional fees to pay to the IP if your IVA fails. They can take court action to get these back from you.

IVA protocol

If your IVA follows the IVA protocol and your circumstances change, your IP may allow you to make reduced payments or take a payment holiday.

The IP is able to petition for your bankruptcy, but this will not happen in all cases. If your IP decides not to make you bankrupt, then your creditors can take action against you instead. It is very important to agree payment arrangements with each of your creditors separately to stop this happening.

Advantages of an IVA

Repayments stop at an agreed date and you will usually pay less than the full amount you owe.

You may be running a small business which would be difficult to keep going if you were bankrupt.

You may be in a profession where you could lose your job if you go bankrupt such as accountancy, the police or armed forces. But be careful, in some professions your employment may be affected by an IVA. Check with your professional body and check your contract of employment.

You may have access to a large lump sum and want a formal arrangement with your creditors to accept the lump sum and write off the rest of the debts.

You will not automatically lose your house or other assets. See the earlier section What about my home?.

Check the terms and conditions of your bank account to make sure that it cannot be affected by an IVA in any way.

Disadvantages of an IVA

If you do not keep to the terms of the IVA then the IP or your creditors can take further action against you, for example by making you bankrupt.

If creditors do not accept the IVA proposal, you are back to square one and your creditors can carry on trying to pursue you for your debts.

If you paid an up-front fee for your IVA and it is not accepted, then you will have lost the fee and may be in a worse position than when you started.

If you own your house, the IP and creditors may ask you to agree to re-mortgage your home as part of the IVA. If you are unable to do this, you may lose your home. See the earlier section What about my home?.

If you rent your home, check the terms and conditions of your tenancy agreement. It may say that your landlord can end your tenancy if you enter into an IVA. Even if your tenancy agreement does say this, your landlord may choose not to end your tenancy, especially if you are up to date with your rent payments.

There is a risk that the IVA is agreed on the basis of monthly payments that you cannot afford over a long time. You must be very careful that the payments are set at a realistic amount in the first place.

If your circumstances change and you can no longer afford the payments, your IVA may end if the IP cannot persuade the creditors to accept a new agreement.

The IVA will be recorded on your credit reference file for six years and can affect your ability to get further credit.

When you set up an IVA, you will need to open a basic bank account which is separate from all your debts. A basic account does not offer any credit facilities, such as an overdraft. Some banks may not allow you to continue to operate a basic bank account whilst you are in an IVA.

Future statements from creditors

Under the rules of the Consumer Credit Act 1974, your creditors will usually have to keep sending you annual statements, as well as arrears and default notices in a set format. This will happen even when you are in an IVA but should stop once your IVA is completed. Don't worry. This does not mean that there is a problem with your IVA. If you receive other letters demanding payment, you should take this up with your IP.

Where are IVA details kept?

Public register

Records of IVAs are kept on a public register called the Individual Insolvency Register. You can search this for free. Go to www.gov.uk and search for 'Individual Insolvency Register'. Alternatively, you can search the register by visiting your local official receiver's office. You can find out the location of your nearest official receiver's office by checking your local phone book or by contacting the Insolvency Service (see the later section Useful contacts). Your IVA will remain on the register until it is completed or terminated.

Credit reference agency files

Records of IVAs are normally held on credit reference agency files for six years from the date the IVA began. This can significantly affect your ability to get further credit. If the IVA lasts longer than six years, it will remain on your credit file until the date the IVA ends. The IVA is marked 'complete' by the credit reference agency when they are informed of this by the Insolvency Service. Make sure you send a copy of the letter from your IP to the three credit reference agencies so that your credit file is updated.

You may continue to find it difficult to get credit even after the IVA has been removed from your credit file. This is because some lenders may ask if you have ever had an IVA or been bankrupt in the past. This will depend on the lender's policy.

6.22 Bankruptcy

Available but Unsuitable

6.23 Details

If available but unsuitable = This option is available but is not suitable because the fees and effects of bankruptcy are significant and the chosen option(s) would deal with the client's debts more appropriately.

6.24 DRO

Unavailable

6.25 Details

If unavailable = This option is not available because your disposable income is over £50 per month AND/OR your total debts are over £20,000 AND/OR your assets are over £1000 AND/OR you own your own home

6.26 Consolidation Loan

Available & Suitable

6.27 Details

If available and suitable = We advised a client that a Debt Consolidation Loan was an available and suitable option.

How it works

Apply to a lender for a loan to clear debts. These are often advertised as 'consolidation loans'. The lender may want to secure the new loan on your house if you own property. It is very important that you shop around for the best deal from high street and internet lenders. If you are viewed as a poor credit risk, it is possible that a good deal may not be available to you.

Advantages

Paying off your debts with a consolidation loan is less likely to have a negative impact on your ability to get further credit.

You will be making one monthly payment on one loan, rather than many payments to different creditors.

Your new monthly payment should be lower, but you must check that you can afford the new payments.

Disadvantages

If you are viewed as a poor credit risk you may not be able to take out a consolidation loan, or you may be offered one on worse terms and conditions, for example at a higher interest rate.

If the loan is secured on your house, it could be repossessed if you do not keep up with the payments.

Check if the interest is fixed or variable. If it can change, you could end up paying much more than you expected.

Loans are often offered over a longer time than your original loans. This means that, even if the interest appears reasonable, the length of time you have to repay can increase the overall cost of the loan significantly. As a result you pay more.

If you don't clear all your existing borrowing, you may struggle to make the payments.

If you keep your credit cards, it may be tempting to use them again.

If you did not use Your budget to make a full budget, listing your income and outgoings, you may not have worked out if you can realistically afford the new payments.

6.28 Equity Release

Unavailable

6.29 Details

This option is not available because the client does not own their home.

6.30 Pension Release

Unavailable

6.31 Details

This option is not available because the client is under 55 years old AND/OR they do not have a private pension AND/OR it may adversely affect the client's benefit entitlement.

6.32 Selling Assets

Unavailable

6.33 Details

This option is not available because the client does not have any assets to sell.

6.34 Charitable Payment

Available but Unsuitable

6.35 Details

This option is available but is not suitable because it would not address all of the client's debts.

6.36 Water Company Customer Assistance Fund

Unavailable

6.37 Details

This option is not available because the client does not have a water debt.

6.38 Do Nothing

Available but Unsuitable

6.39 Details

This option is available not suitable because doing nothing could result in action being taken against client and further interest and charges being added. Advised that nil payments would be recorded on credit file and remain on file for 6 years.

6.40 Moratorium

Available but Unsuitable

6.41 Details

This option is available but is not suitable because it does not address all of the debts that the client has.

6.42 Limitation Act defence

Unavailable

6.43 Details

This solution is not available because none of the client's debts are close to being statute-barred.

6.44

We advised the client about all suitable solutions. We provided them with the National Debt Line factsheets for each of the suitable solutions. We highlighted the sections to record that we discussed the advantages/disadvantages, actual or potential consequences and implications and obligations including the impact of debt remedies on credit reference files and banking, any eligibility criteria, debts covered by that option, any costs involved, likelihood of acceptance, and any risks associated with that option, including adverse costs orders in relation to court costs being made.

Once the client had been provided with the information about which debt options were not available, not suitable and the detailed advice on their suitable options, they were in a position to decide on their solution to pursue.

6.45 Client's Personal Circumstances

6.45.1 No. of Dependents and ages
1 dependant aged 6 months

7 Chosen Solution

7.1

After reviewing all of the suitable solutions with the client, the client has chosen the following option:

7.2 Chosen solution

Test

7.3 Does the chosen option(s) meet the client goal?

Yes

7.4

We confirmed that the option met the client goal (if it does not then explain why chosen if not meet the goal)

7.5 Breathing Space

7.5.1 Is the client suitable for the Mental Health Access Mechanism Breathing Space?

No

7.5.2 Details

the client is not suitable for Mental Health Access Mechanism Breathing Space because they do not have a mental health condition for which they are under the care of a Mental Health Practitioner.