

1 Action Plan

1.1 Interview date

2021-11-02

1.2 Actions Taken In Appointment

Debt/Issue	Action
SFS	completed

1.3 Client next steps

Debt/Issue	Action	By When
DRO referral	Look for correspondence from the DRO Unit	within the next 2 weeks

1.4 Advisor Next Steps

Debt/Issue	Action	By When
DRO	Refer client to the DRO unit	ASAP

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

Client 3

1.6.2 Case number

CL-00000003

1.6.3 Photo ID Provided?

Yes

1.6.4 what ID

The photo ID that the client provided was passport

This confirmed the client's identity Y

1.7 Client Goal

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

Become debt free

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 Does the client have any emergency or urgent issues?

Yes

2.1.2 Details

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

2.1.3 Are Enforcement Agents (Bailiffs) visiting?

Yes

2.1.4 Details

The client confirmed that the bailiffs are due to attend on: 5 November 2021

2.1.5 Do you have an eviction date?

No

2.1.6 Details

The client confirmed that they have an eviction date on:

2.1.7 Are you being disconnected from their gas and/or electric?

No

2.1.8 Details

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

2.1.9 Do you have a possession hearing?

No

2.1.10 Details

The client confirmed that they have a possession hearing on:

2.1.11 Do you have any other court dates?

No

2.1.12 Details

The client confirmed that they have a court date on:

2.1.13 Are you being threatened with committal?

No

2.1.14 Details

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

2.1.15 Are there any other emergencies?

No

2.2 Health

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

Mental Health Issue

2.2.2 Please give details of health problems and any other relevant information (e.g name of condition)

Schizophrenia - diagnosed in 2009.

2.2.3 How does their mental health condition affect their ability to manage your money or engage with debt advice?

Client does not work and finds letters/forms difficult to manage.

2.3 Personal Situation

2.3.1 What is your immigration status?

British Citizen

2.4 Housing Status

2.4.1 Who else is living at the property with you? (Relation and age)

Live alone

2.4.2 Client's Housing Status

Social Tenant

2.4.3 When did you move into the property?

2000

2.4.4 Who is your landlord?

As the client is renting their property, they said that their landlord is: Bristol City Council

2.4.5 What type of tenancy do you have?

Secure Tenancy

2.4.6 Details

They have a Secure Tenancy with their local authority landlord.

2.4.7 How many bedrooms do you have?

They have 1 bedrooms.

2.4.8 Is your tenancy at risk?

No

2.4.9 Details

They confirmed that their tenancy is not at risk.

2.4.10 How much is your total rent?

The client confirmed that their total rent is £91 per week

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

The client confirmed that they receive £91 per week for Housing Benefit

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

No

2.4.13 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?

Stable

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

Sickness

Benefits misunderstanding

Managing affairs generally

2.5.3 Are there any underlying issues

Client did not provide information about his personal circumstances so his Council Tax Reduction claim was closed.
Client's mental health made it difficult for him to claim CTR again

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

Temporary

2.5.5 Why are the difficulties temporary?

Client is entitled to either SMI exemption and/or CTR

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

Get better

2.5.7 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 not received any debt advice before.

2.6.2 Details

they have not received debt advice before.

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

The client has not taken any action about their debts until the bailiff called him and told him to visit a local advice agency

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

No

2.6.5 Details

they have not had a formal insolvency option before.

2.7 Income Details

2.7.1 What type of income are you receiving? (Tick all that apply)

Benefits & Tax credits

2.7.2 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:

2.7.3 Details

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

they are in receipt of:

ESA Support group

PIP - DL enhanced and M enhanced - no motability vehicle

2.7.4 Any deductions from their benefits?

Don't know

2.7.5 Details

The client confirmed that they do not know if they have any deductions from their benefits.

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

No

2.8.1.4

Pension Fund

2.8.1.4.1 Pension Fund yes/no

No

2.8.1.5

Compensation

2.8.1.5.1 Compensation yes/no

No

2.8.1.6

Backdate of Benefits

2.8.1.6.1 Backdate of Benefits yes/no

No

2.8.1.7

Redundancy Payment

2.8.1.7.1 Redundancy Payment yes/no

No

2.8.1.8

Pending insurance/PPI claim

2.8.1.8.1 Pending insurance/PPI claim yes/no

No

2.8.1.9

Other Assets

2.8.1.9.1 Other Assets yes/no

No

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?

No

3.1.1.2 Details

concluded that the client was not suitable for a tax code check. Client has not worked since 2005

3.1.1.3 Benefit check carried out

Yes

3.1.1.4

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?

Yes

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 at risk because they have a debt with their current account provider. We advised that as the client owes money to their bank or building society, it is important to make sure that any income, such as their wages or benefits, does not go into that account. This is because in some circumstances, banks and building societies can take money from an account the client has with them to pay towards a debt that they owe them. We advised that this could leave the client with too little money to pay their essential bills, such as rent, gas, electricity, and food shopping.

We advised that a safe bank account is an account with a bank or building society that the client does not owe any money to. This includes money owed to credit cards, loans, and overdrafts.

We advised that when anyone applies to open a new safe bank account, the bank will usually check if they are eligible for their current account first. If the client is eligible, the bank is likely to offer them this type of account.

We advised the client that if they open a current account and don't want to get into debt with the bank, request that they are not given an overdraft facility. This is because if they have and use an overdraft facility, the bank is likely to start charging interest on their account. An overdraft is also repayable on demand, so their money would no longer be safe, and they would be in a similar position to where they are now.

We cautioned that it is also important to know that some banks belong to the same banking group, such as Royal Bank of Scotland and NatWest. When opening a safe bank account, we advised the client to avoid using a bank within the same banking group as a bank that they owe money to. If they do not, their money may still be at risk of being taken.

Unfortunately, there is not a central list of all UK banks and their membership available for anyone to search. However, we advised that there are several websites that give useful information about different banking groups. For example, the Lending Standards Board website lists its membership and shows which other banks they are linked to. For more information, go to www.lendingstandardsboard.org.uk and click on 'Our registered firms'.

We directed the client to The Money Advice Service website which has useful information on how to open an account, including account features, what identification they will need and things you should think about. We suggested the client goes to www.moneyadviceservice.org.uk and searches for 'How to open, switch or close their bank account' or call 0800 138 7777.

We advised that most banks have a guarantee that will let people switch accounts within seven days. This is called the Current Account Switch Guarantee. Banks will also guarantee that payments in and out of the new account are switched over in time so that any regular bills and pay are not missed.

We advised the client that they may not qualify for a current account if they have missed payments on their bills or debts. If this is the case, a bank should offer them their basic bank account instead. A main advantage of a basic bank account is that this type of account has no fees attached to it. As basic bank accounts do not provide an overdraft facility, we advised that the client will not be charged interest on the account and fees are not added for returned direct debits or standing orders.

We advised that the largest banks have been required to offer fee-free basic bank accounts. These include Barclays, Santander, Royal Bank of Scotland (including NatWest), HSBC, Nationwide, Co-operative, Lloyds (including Halifax and Bank of Scotland), TSB, Clydesdale, and Yorkshire Bank.

A fee-free bank account with the above banks will usually have fewer features than a current account, but we advised that the client can still do the majority of things that they would need to. This includes setting up direct debits and standing orders, using a debit card to pay for items and withdraw money from a cash point, having their income paid into the account, checking their balance at a bank, at a cash machine or online.

We advised that other banks may also offer basic bank accounts, but they may not include all the features listed above or may include charges. We stated that it is important that the client checks what features an account offers and what charges the bank can add before opening a basic bank account with them.

Again, we noted that the Money Advice Service has useful information on how to open a basic bank account. Their website also has links to several banks' basic bank account information pages. This gives extra information about a particular bank's basic account, such as what identification the client needs to open an account. Go to www.moneyadviceservice.org.uk and search for 'Fee-free basic bank accounts' or call 0800 138 7777.

Finally, we advised the client that The Financial Conduct Authority says that, from September 2016, you are entitled to open a basic bank account if you are ineligible to open a standard bank account, unless it would be unlawful for the firm to open the account. If you cannot open a basic bank account, the bank should tell you why you have been turned down. If they do not, or you feel you have been turned down unfairly, you may be able to complain to the Financial Ombudsman Service.

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)

Severe Mental Impairment

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 Are you in receipt of Discretionary Housing Payment?

No

3.1.15 Details

We considered if the client was eligible for Discretionary Housing Payment and the client confirmed that they are

not in receipt of Discretionary Housing Payment.

3.1.16 Is an application suitable?

No

3.1.17 Details

We advised that a claim for Discretionary Housing Payment is an extra payment to help people who claim Housing Benefit or Housing costs as part of Universal Credit and are struggling to pay the rent but usually is not a payment towards any existing arrears. We advised that it was not suitable because they do not have a shortfall in their rent. A DHP may be claimed by completing an application form to their local authority.

3.1.18 Details

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

3.1.19 PIP

Yes

3.1.20 PIP details

Client already receives full entitlement to PIP - enhanced rate of both components

3.1.21 Does the client require advice about non-dependent contributions?

No

3.1.22 Details

We concluded that the client did not need advice about non-dependent contributions as the client did not have any non-dependents to make contributions.

3.1.23 Does the client require advice about Budgeting and Saving?

Yes

3.1.24 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.moneyadviceservice.org.uk/en/categories/budgeting-and-managing-money> for more budgeting and saving tips.

3.1.25 Does the client require advice about their TV Licence?

Yes

3.1.26 Details

concluded that the client required advice on this. We advised that paying for a TV licence is a priority. This is because you can be fined in the magistrates' court for not having a licence. This can then lead to bailiffs (also known as enforcement officers) calling, or even to being sent to prison, if the fine is not paid. As well as having a fine to deal with, we advised that they still need a TV licence.

We advised that the client can pay their licence weekly, fortnightly, monthly or every three months. We said that they can use the TV Licensing savings card or make payments at PayPoint outlets in shops. To apply for a TV Licensing savings card, contact 0300 555 0281. We advised that the client can pay by direct debit either every three months or every month from their bank account. See www.tvlicensing.co.uk or call 0300 790 6144. The payment card method allows payments to be made every week or two weeks. This can only be used for colour licences. Contact the cash payment plan helpline on 0300 555 0286 or check the TV licensing website.

We said that they would get 50% off their TV licence if they were to be registered blind. We advised that from 1 June 2020, TV Licences are no longer be free for people over 75, unless someone in the household receives Pension Credit.

3.1.27 Does the client require advice about Switching Energy Supplier?

Yes

3.1.28 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.

3.1.29 Does the client require advice about Warm Home Discount?

Yes

3.1.30 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.

3.1.31 Does the client require advice about Crisis Fund application

No

3.1.32 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.

3.1.33 Does the client require advice about Downsize/Lodger?

No

3.1.34 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.

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

Yes

3.1.36 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.

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

Yes

3.1.38 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.

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

Yes

3.1.40 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.

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

Not Applicable

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

Not Applicable

3.1.43 Does the client require advice about Charitable Trust Funds?

Yes

3.1.44 Details

concluded that the client would benefit from advice about charitable trusts. We advised that Charitable funds give grants to people in financial need who meet their eligibility criteria, using a sum of money that the grant-giving charity has set aside for this purpose.

They are generally run by charities or organisations (such as energy companies) that have grant giving as part of their aims and objectives. Although some grant-giving charities have only one fund, others run more than one fund that give money for different purposes.

Each charitable fund is very individual in the way that it works and the types of support it gives. Although the financial help offered is usually through grants, many funds also have other services. Charitable funds often give financial help to people in need who qualify for their help in the form of a grant. This may be a sum of money, given as a gift or award, so it doesn't have to be paid back. Grants may involve regular amounts of money to help you with bills and other living expenses. This may be given for a limited time or as 'on-going' support. They may also be one-off grants (sometimes called specific gifts) to help pay for an essential item. This is often given as money or white goods and furniture. They can be Educational awards to help with the costs of educational and training courses. They may also be Vouchers or an amount paid in credit to a shop to allow you to obtain specific items you need, such as food or clothing.

If charitable payments are made or due to be made regularly then the payments are disregarded as income and do not reduce benefits. If you get goods instead (payments in kind), then this is ignored as income. We advised the client to go to the Turn2Us Website for more details and search for grants.

3.1.45 Does the client require advice about Foodbank Vouchers?

Yes

3.1.46 Details

concluded that the client would need a Foodbank Voucher. We advised that if a client is struggling to eat, then we can provide a Foodbank voucher for their nearest foodbank. The foodbank can provide 3 days' worth of food per voucher to help in crisis. The details of the nearest Foodbank are on the voucher along with the opening times. We can provide you with 3 vouchers within a rolling 6-month period

3.1.47 Does the client require advice about School Meals?

No

3.1.48 Details

concluded that the client does not require advice about free school meals.

3.1.49 Does the client require advice about Child Care Costs?

No

3.1.50 Details

concluded that the client does not require advice about childcare costs.

3.1.51 Does the client require advice about sale of non-essential items?

No

3.1.52 Details

concluded that the client does not require advice about sale of non-essential items.

3.1.53 Does the client have home contents insurance?

No - not wanted

3.1.54 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.

4.1.3 Any potential challenge under Debt & Mental Health?

Yes

4.1.4 Details

concluded that there could be a challenge under Debt & Mental Health.

We decided this because the client has schizophrenia and has taken out credit card debts and an overdraft but did not understand the consequences of the credit agreements at the time he entered into them. We advised about this as an option with the other debt solutions.

4.1.5 Any debts statute-barred?

No

4.1.6 Details

concluded that there are not debts that could be statute-barred.

4.1.7 Is client guarantor or have any debts with a guarantor?

No

4.1.8 Details

The client neither a guarantor nor has a guarantor 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 Do you have any rent arrears?

No

4.3.2 Any disrepair at the property?

No

4.3.3 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.

4.3.4 Details

We enquired about any disrepair at the property and the client said that there was no disrepair at the property.

4.3.5 Details

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

4.3.6 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 council 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.

To enforce the arrears, we advised that the council must issue the client with specific statutory notices and follow a 'Pre-Action Protocol. Reference CPAG DAH <https://askcpag.org.uk/?id=-217552>.

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 council can start court action
- ? The client usually get at least 4 weeks' notice of court action but the council can apply to court immediately in some cases of nuisance or antisocial behaviour.

We advised that on issuing the NOSP and before issuing court proceedings, the council should follow the pre-action protocol which requires them to:

- Contact the client as soon as reasonably possible to discuss the reason for their arrears, their financial circumstances (including any benefit entitlement) and repayment of their arrears by affordable amounts based on their ability to pay. The council should advise the client to seek debt advice.
- Provide the client with quarterly rent statements that they can understand.

- Take steps to ensure the client's rights are protected if the council is aware that the client is under 18 or otherwise vulnerable. We advised the client that if they consider themselves vulnerable, they should ensure that the council know this.

We advised that the council should work with the client to resolve any problems the client is having with any outstanding housing benefit (or Universal Credit) claims. In most cases, the council should not issue possession proceedings while such issues are being resolved. To do so may arguably be 'Unreasonable' in any possession hearing. Reference CPAG DASH <https://askcpag.org.uk/?id=-217552>.

We advised that after serving a NOSP, the council should continue trying to contact the client to discuss the matter. If the client makes an arrangement with them to pay their ongoing rent and a sum to their arrears, the council 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 council can begin court action to repossess their home.

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.

Further we advised that at least 10 days before their hearing, the council must provide them with an up to date rent statement, confirm details of the hearing and of the type of order that they are seeking and advising the client to attend.

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 council 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, the council will not be allowed to evict them. If the client fails to comply with the order, the council can then obtain a warrant of possession allowing bailiffs to evict them.
- 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 council otherwise the council could obtain a warrant of possession allowing bailiffs to evict them.

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 council 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.

4.3.7 If yes, how much of the arrears are disputed?

The client disputes the sum of £

4.3.8 Secured Loan Arrears

Not Applicable

4.3.9 Council Tax Arrears

Yes

4.3.10 Details

The client stated that they have Council Tax arrears.

The client said that they have arrears of £1500

4.3.11 Recovery Action

Enforcement Actions (Bailiffs)

4.3.12 Do you have an agreement for payment of the arrears?

No

4.3.13 Details

do not have an agreement with the council.

4.3.14 Are you receiving the single person discount?

No

4.3.15 Any arrears from previous years?

Don't know

4.3.16 Details

they did not know if there were arrears from previous years.

4.3.17 Is any Council Tax Reduction received?

No

4.3.18 Has a Liability Order been made?

Yes

4.3.19 when?

In September 2021

4.3.20 Are Enforcement Agents involved?

Yes

4.3.21 Do the EAs have a controlled good agreement?

Don't know

4.3.22 Gas and electricity arrears

No

4.3.23 Magistrates Court Fine

Yes

4.3.24 Amount of fine

£500

4.3.25 Did you attend the hearing

No

4.3.26 Have you defaulted on the payment of the fine?

Yes

4.3.27 How much are you behind on the payments?

£don't know

4.3.28 Has there been any enforcement action?

Don't know

4.3.29 Any agreement reached with the court/EAs?

No

4.3.30 Have you had any changes in their circumstances since the fine was imposed that may give rise to a means enquiry hearing?

No

4.3.31 TV Licence

No

4.3.32 Child Maintenance Arrears

Not Applicable

4.3.33 HMRC arrears

No

4.3.34 Tax Credits Overpayment

No

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)
CC		S	N	12,000	Y	none	defaulted. passed to recovery agency
OD		S	N	1000	Y	interest accruing daily. benefits paid into this account	none
provident		S	N	2500	Y	£5 week	last payment was 3 months ago
BW		S	N	500	Y	none	red letter received

4.5.2 Do you have any other debts?

Yes

4.5.3

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: -

4.5.4 Do you have any Social Fund Loan arrears?

No

4.5.5 Do you have a Universal Credit Advance?

No

4.5.6 DWP Overpayments

Don't know

4.5.7 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.

4.5.8 Details

The client did not know if they have a DWP Overpayment.

4.5.9 Do you have any Overdrafts?

Yes

4.5.10 Details

The client said that they have an overdraft owing to XXX in the sum of £XXX

We advised the client that their overdraft is a non-priority. We advised that they cannot be sent to prison for failure to pay debts based on a contract. However, if they fall behind with the agreed payments, the creditor can take action to recover the debt from the client, including:

- Trying to contact the client by letter or phone.
- They may terminate or default the contract.
- They may terminate the provision of services to the client.
- They could pass the account to a debt collection agency.
- The client could face a county court claim and ultimately a County Court Judgment may be obtained.

See CPAG DAH <https://askcpag.org.uk/?id=-217492>.

4.5.11 Is the debt secured

No

4.5.12 Details

the debt is not secured.

4.5.13 Overdraft Recovery Action

No action

4.5.14 Do you have an agreement for payment of the arrears?

No

4.5.15 Details

they do not have an agreement to pay the arrears.

4.5.16 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.

4.5.17 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.

4.5.18 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 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.

4.5.19 Bank Loan Arrears

No

4.5.20 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.

4.5.21 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 Other Finance Agreement arrears

Yes

4.5.24 Details

Other Finance Agreement Arrears.

The client said that they have arrears owing to CC and Provident in the sum of £12,000 and £2,500 respectively

We advised the client that their other finance agreement arrears is a non-priority. We advised that they cannot be sent to prison for failure to pay debts based on a contract. However, if they fall behind with the agreed payments, the creditor can take action to recover the debt from the client, including:

- Trying to contact the client by letter or phone.
- They may terminate or default the contract.
- They may terminate the provision of services to the client.
- They could pass the account to a debt collection agency.
- The client could face a county court claim and ultimately a County Court Judgment may be obtained.

See CPAG DAH <https://askcpag.org.uk/?id=-217492>.

4.5.25 Is the debt secured?

No

4.5.26 Details

the debt is not secured.

4.5.27 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.

4.5.28 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.

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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.

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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.

4.5.29 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.

4.5.30 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.

4.5.31 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.

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4.5.32 Catalogue Debts

No

4.5.33 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.

4.5.34 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.

4.5.35 Hire Purchase (non-essential)

No

4.5.36 Payday Loans

No

4.5.37 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.

4.5.38 Details

Attachment of earnings order

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

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- the client has not paid the CCJ as the court ordered.

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4.5.39 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.

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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.

4.5.40 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.

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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.

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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

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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.

4.5.41 Personal Debt to Family & Friends

No

4.5.42 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.

4.5.43 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.

4.5.44 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.

4.5.45 Mobile Phone Debts

No

4.5.46 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.

4.5.47 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.

4.5.48 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..

4.5.49 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

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Third party debt order

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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..

4.5.50 Do you have any Traffic Penalties issued by Local Authorities?

No

4.5.51 Traffic Penalties issued by Private Companies?

No

4.5.52 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.

4.5.53 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.

4.5.54 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.

4.5.55 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.

4.5.56 Water & Sewerage Charges

Yes

4.5.57 Details

Water & Sewerage Charges

The client said that they have a arrears on their Water and Sewerage Charges owing to BW in the sum of £500

We advised the client that their water and sewerage charges arrears is a non-priority. We advised that they cannot be sent to prison for failure to pay debts based on a contract. However, if they fall behind with the agreed payments, the creditor can take action to recover the debt from the client, including:

- Trying to contact the client by letter or phone.
- They may terminate or default the contract.
- They may terminate the provision of services to the client.
- They could pass the account to a debt collection agency.

- The client could face a county court claim and ultimately a County Court Judgment may be obtained.

See CPAG DAH <https://askcpag.org.uk/?id=-217492>.

We advised the client that their water company cannot disconnect their domestic water supply when they are in arrears, or install anything in their home that restricts the flow of water from the taps.

However, some water companies threaten to disconnect a property on the basis that they think the property is empty. We, therefore, advised the client to keep in touch with the company to make sure they understand that the client is still in the property and that the company cannot disconnect the client's water supply.

We advised the client that their water company has a special tariff which can reduce the amount of their current water charges. Tailor here for your local water company

4.5.58 Details

We advised the client that as they are on Income Support, Pension Credit, Employment and Support Allowance, Jobseeker's Allowance or Universal Credit, they can ask the Department for Work and Pensions (DWP) to deduct a sum from their benefit or Universal Credit payment to cover current water rates and a standard amount towards the arrears. Contact your water company, or the Department for Work and Pensions (DWP), with details of the most recent water bill to arrange this.

We advised the client that if they do not agree a repayment arrangement, the water company can issue a county court claim to try to make the client repay the money they owe.

4.5.59 Is the debt secured?

No

4.5.60 Water & Sewerage Charges Recovery Action

Reminder letter

4.5.61 Do you have an agreement for payment of the arrears?

No

4.5.62 Is water payment included in your rent?

No

4.5.63 Details

Water meter

We advised the client that as they do not have a water meter at present then they can have a water meter put in so that they are only charged for the water they use. It may be cheaper to have a water meter put in if the client does not use much water. The client can usually swap back to the non-metered system within 12 months, if they don't want the water meter because their bills are higher than before.

If the client has a water meter and need extra help to read it because of age, disability or illness, they can ask their water company to re-site the water meter to make it easier to read.

If the client would prefer a water meter, but the supplier tells them that one cannot be fitted, the client can ask their water company to be billed for an assessed charge. This may be cheaper than what they usually have to pay because it will be based on the average of what metered customers pay. You can read more about this at www.ccwater.org.uk.

Companies can put in a water meter when a property is sold, or a tenant moves out, or when there is a shortage of water in their area. In these cases, you do not have the right to swap back to a non-metered supply.

WaterSure

We advised the client that they may be able to get help with water bills if you are on a low income through WaterSure. WaterSure limits their bill to an amount equal to the average bill that the water company charges its customers. If they use a lot of water, their bill will go down with either scheme. They can stay on the scheme for a year and, when that comes to an end, they will have to reapply.

To qualify for help under the schemes, the client or someone living with them, needs be entitled to receive one of the following benefits or tax credits:

- Housing Benefit;
- Income Support;
- income-based Jobseeker's Allowance;
- Working Tax Credit;
- Child Tax Credit (except families in receipt of the family element only);
- Universal Credit;
- Pension Credit; or
- income-related Employment and Support Allowance.

The client will need to give proof of the benefits they are receiving. The client also needs:

- to be responsible for three or more children under the age of 19 and in full-time education living in the property; or
- to have a medical condition which requires significant additional use of water, or someone living with you has this condition. Examples of medical conditions include weeping skin diseases (such as psoriasis), Crohn's disease or ulcerative colitis.

If the client has a medical condition that is not listed, they can still qualify if they use large amounts of water. They may need a doctor's certificate as proof.

The client can get an application form from their water company.

Water trust funds

Many water companies run charitable trust funds. Some offer help only with water and sewerage debt; others are prepared to help with other priority debts and even bankruptcy fees in certain situations.

Some water companies run 'restart schemes'. If you take part, you start a regular payment plan and the payments you make are matched by the trust fund. If you keep up with the payments, the rest of your debt may be written off. Contact your water supplier to find out how to apply. You will usually have to fill in a form. You may need an advice agency to help you.

We advised the client that if they do not enter into or qualify for one of the schemes then the water company can take action to recover the debt.

4.5.64 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.

4.5.65 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 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.

4.5.66 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.

4.5.67 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.

4.5.68 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.

4.5.69 Do you have any other non-priority debts?

No

4.5.70 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.

4.5.71 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.

4.5.72 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.

4.5.73 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.

4.5.74 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

5.1.3 What proof of income/expenditure still outstanding

Benefit award letters

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?

Draft version

5.2.3 Draft SFS details

We were able to complete the financial statement with the client but it was in a draft version as we awaited final confirmation.

5.2.4 what do you need from the client to complete sfs?

To be able to complete the statement we need the following from the client:

Benefit award letters

5.2.5 Variable Income/expenditure averaged?

N/A

5.2.6 Missing expenditure items?

Yes

5.2.7 Details

There were some essential expenditure items missing. TV licence

The essential expenditure items were missing because client has fallen into arrears but we have advised the client about the simple payment plan and he will recommence payments under this scheme

5.2.8 Expenditure items high or low?

No

5.2.9 Deficit budget?

No

5.2.10 Large surplus budget?

No

5.2.11 Has a credit report been requested?

Yes

5.2.12 From where have the credit reports been requested?

The credit report has been requested from Experian

5.2.13 Evidence on file to verify debts

No

5.2.14 Why not?

there is no evidence of debts on file.

The debts are not evidenced on file because client to provide creditor statements

5.2.15 Have any Square Peg Debts been altered on SFS

No

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

Yes

5.2.17

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 but Unsuitable

6.4 Details

If available but unsuitable = This option is available, but it is not suitable because the amount of time it would take the client to repay the debts (based on disposable income in the SFS) is not reasonable.

6.5 Full and Final Settlement

Unavailable

6.6 Details

If unavailable = This option is not available because the client does not have a lump sum available to make this offer to their creditors.

6.7 Write Off

Available & Suitable

6.8 Details

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

We advised the client that it is not easy to convince creditors to give up their ability to collect a debt owed to them and agree to write their debt off. Most creditors are commercially-minded and will want to look at the options they have to collect their debt. We advised that the client needs to convince a creditor that writing off the debt is in their best interest as well as in the client's. Usually, this means showing them why there is no likelihood of them getting enough money back to make it worth pursuing the debt any longer.

Although a write-off on a debt is not easy to get, it is possible and has clear benefits:

The client is released from the burden of the debt;

recovery action stops;

stress and anxiety are reduced; and

a fresh start.

Most creditors are able to consider writing off their debt when they are convinced that the client's situation means that pursuing the debt is unlikely to be successful, especially if the amount is small. Even when writing off a debt is not an option for them, perhaps for legal reasons, they may decide not to recover the debt and effectively stop pursuing it.

(1 para below only if 6.1.1 or 6.1.2 is selected) Home owner

As the client owns their home, a creditor could try to make them bankrupt. This is to see if the sale of the property would pay back some or all of the debt, but this is rare. More commonly, they might try to secure their debt to the property with a charging order. If they do this, they might be able to get their money back once the property is sold. Applying for a write-off in such circumstances might put the client's property at risk of being sold eventually to pay for the debt.

Client's situation

Creditors may recognise that they have little chance of recovering their debts in particular situations. There are some examples listed below.

Client rents their home, client has no surplus income after paying for basic needs, no savings and no available assets that the client could sell.

Client has a serious or terminal illness, long-term ill health, or have a disability which means that client has little chance of getting or keeping a job.

Client is getting benefit income only and need the support of a regular carer because they cannot manage on their own.

Client is a pensioner, or is nearing retirement age, is on benefit income and likely to remain on a limited income.

Due to the client's circumstances, there is no realistic prospect that the client will be able to make a worthwhile payment to the creditor, either now or in the future. The situation may get worse.

Other creditors have agreed to write their debts off.

The person owing the debt has died without leaving any property, money or other assets to be passed on to family and friends.

In these situations the creditor may accept that it is not in their interest to pursue recovery of the debt. We advised that the client can also point out that if the creditor applied for a court order the court is likely to accept that you can only pay a token amount, for example £1 a month. It is unlikely to be worth employing a debt collector to try to recover the debt, as it may cost the creditor more to pay the debt collection agency than they get back.

Creditor refuses to write off

If the creditor at first refuses to write off the debt, ask them to explain why they have refused if they have not given any reasons.

Effects of a write-off

Getting a write-off on the debt is likely to have a negative impact on the client's ability to get credit in the future for up to six years. If a creditor writes off a debt, it means that no further payments are due. In addition:

the balance should be set to zero on credit reference agency reports;

the debt will be registered as a default on credit reference agency reports; and

they can add a flag to the account to indicate that a write-off or a partial write-off was agreed.

Advantages

It relieves stress and anxiety where you are in an exceptionally difficult situation.

It allows you to make a fresh start.

Your creditors accept that it is not appropriate to take any further action because of your situation.

Disadvantages

Creditors do not normally agree to write off the debt.

It will still show up on your credit file and affect your ability to get credit in the future.
Some creditors choose not to pursue the debt but do not put this in writing.
There is no guarantee they won't chase you for the debt in the future.
Some creditors may refuse whilst others agree.

6.9 S.13A Write Off

Available & Suitable

6.10 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.

6.11 Details

If available and suitable = We advised the client that s.13A write off is an available and suitable option. Clients with severe financial difficulties (ie deficit budgets) can apply for discretionary relief from council tax under Section 13A of the Local Government Finance Act 1992. Councils must consider each case on its merits and should not refuse on grounds of financial impact for the council. Appeals can be made to valuation tribunals. Local authorities have complete discretion and should be encouraged to use it in all cases which fall outside the exemption, discount and council tax reduction scheme rules. You can apply directly to your local authority or ask your debt adviser to make an application on your behalf, which should include a copy of your financial statement.

6.12 Debt & Mental Health Evidence Form Write Off

Available & Suitable

6.13 Administration Order

Unavailable

6.14 Details

If unavailable = This option is not available because the client owes over £5000 in total and the client does not already have a CCJ

6.15 Time Order

Available but Unsuitable

6.16 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.

6.17 Free DMP

Unavailable

6.18 Details

If unavailable = This option is not available because the client does not have £5 per month per debt disposable income and the client would not be able to repay their debts in 10 years.

6.19 IVA

Unavailable

6.20 Details

If unavailable = This option is not available because the client does not have enough disposable income to make payments.

6.21 Bankruptcy

Available but Unsuitable

6.22 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.

6.23 DRO

Suitable & Chosen

6.24 Details

If suitable and chosen = We decided with the client that a DRO was a suitable and chosen option.

6.25 Consolidation Loan

Unavailable

6.26 Details

If unavailable = This option is not available because the client would not be able to get credit for a further loan as payments are not affordable.

6.27 Equity Release

Unavailable

6.28 Details

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

6.29 Pension Release

Unavailable

6.30 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.

6.31 Selling Assets

Unavailable

6.32 Details

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

6.33 Charitable Payment

Available & Suitable

6.34 Details

We advised a client that a Charitable Payment was an available and suitable option.

Key facts

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

What type of debt? It depends on the charity, but usually priority debts.

How long will it last? Debts would be reduced or cleared by the payment.

How it works

Apply for financial help from a suitable charity through the Turn2us website www.turn2us.org.uk.

Get information about trust funds you can apply to for financial help by going to the Auriga Services website www.aurigaservices.co.uk. Click on the link Download booklet Help with Water and Energy at the top of the page.

Advantages

It relieves stress and anxiety where you are in an exceptionally difficult situation.

A charitable payment may pay off a particularly urgent or pressing debt.

Disadvantages

Most charities are unlikely to be able to help with large credit debts.

You must fit the charity rules to apply in the first place, so it may be hard to find a suitable charity.

Charities are only likely to help with an emergency or priority debt, not the whole problem (assuming you have more than one debt).

You will normally have to fill in a detailed application form or find an advice agency to apply for you.

6.35 Water Company Customer Assistance Fund

Suitable & Chosen

6.36 Details

We decided with the client that Water Company Customer Assistance Fund was a suitable and chosen option.

6.37 Do Nothing

Available & Suitable

6.38 Details

We advised a client that Doing Nothing was an available and suitable option because client has bailiffs attending his property on Friday - he is stressed about this and wants to do something about his debts

6.39 Moratorium

Available but Unsuitable

6.40 Details

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

6.41 Limitation Act defence

Unavailable

6.42 Details

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

6.43

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.

6.44 Client's Personal Circumstances

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

DRO

BW Assist & Restart

Charitable payment for DRO fee

Foodbank voucher to manage cashflow difficulties

7.3

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

7.4 Breathing Space

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

No

7.4.2 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.

7.4.3 is the client suitable for Breathing space

Yes

7.4.4 Details

The client is, however, suitable for mainstream Breathing Space because client has opted for a DRO

and To be eligible for a breathing space, you must:

Be an individual. Note: if you have a joint debt with a third party, the moratorium will apply to that other person but only regarding the joint debt.

Owe a qualifying debt.

Be ordinarily resident in England or Wales.

Not be under any insolvency option (DRO, Bankruptcy, IVA, Administration Order).

Not already be in any breathing space moratorium.

Not have had a standard breathing space moratorium in the past 12 months (unless you are applying for a Mental Health Breathing Space Moratorium).

Be unable, or likely unable, to repay some or all of your debt as it falls due.

A breathing space moratorium is appropriate if:

A debt solution would help you.

You are likely to be eligible for a debt solution during or as soon as possible after the breathing space moratorium ends.

It gives you time to advise you about your options, for you to choose your best option and for necessary applications to be made.

When a Breathing Space moratorium may not be appropriate:

If you need to enter into a debt solution straightaway and can do so.

If you are concerned about the effect that a moratorium may have on a guarantor who may become liable to pay your debt.

If a debt is about to become statute barred, an application for Breathing Space could restart the limitation period.

If budgeting or financial capability options to increase your income or reduce your expenditure could quickly make it affordable for you to pay your debts.

If you have realisable assets that could be sold to clear your debt.

You can only access the scheme if your debt adviser assesses that it is appropriate for you. In order to determine this, you must engage with a full debt advice appointment and a full assessment of your income, expenditure, debts and circumstances will be required.

Excluded debts

Most types of debt can be included in a Breathing Space but the following cannot, with exceptions as stated.

Collection and Enforcement for the following excluded debts will therefore continue:

Secured debts including mortgages secured on land, debts secured on assets whose value at least equals the amount of debt, hire-purchase and conditional sale agreements.

Note: Arrears on these excluded debts are qualifying debts.

If a debt is secured against an asset and the debt is higher than the value of the asset, the debt is a qualifying debt.

Business debts when, at the time of your application, you are VAT registered or trading in a business partnership. If you are self-employed and unsure whether your business debts are excluded, contact the Business Debtline's webchat service at www.businessdebtline.org/

Fraudulent debts including benefit fraud where you have either admitted fraud, accepted an administrative penalty or been prosecuted and found guilty of fraud.

Criminal fines or compensation orders including penalties payable under a conviction, interest on fines and any associated penalties or charges.

Child maintenance arrears ordered under family proceedings or a child maintenance assessment.

Social Fund Loans.

Universal Credit payments on account including advance payments and budgeting advances.

Student loans made under the Teaching and Higher Education Act 1998 or the Education (Student Loans) Act 1990.

Damages due by you for causing death or personal injury to another person by Negligence, Nuisance or Breach of a statutory, contractual or other duty.

Council tax bills not in arrears.

However if you have arrears (missed instalments) of council tax, these are qualifying debts. If you have received a reminder notice, any unpaid instalments and your remaining year's bill is a qualifying debt. Time to pay on a reminder need not have run out.

New debts:

New debts incurred during the moratorium can't be added. Additional debts that accrued before the moratorium started but omitted on the application can be added but the moratorium period does not restart. e.g, if you add a debt with only four days to go until the moratorium ends, the moratorium will still end in four days for all debts.

Guarantor loans are qualifying debts unless excluded for reasons above, but the moratorium will not cover the guarantor who would likely become liable if you apply for a moratorium. Check with your creditor. This may mean that a moratorium is not appropriate for you if you do not wish to have the guarantor become liable.

MORATORIUM DEBTS

Are qualifying debts you owe when you enter a moratorium and owed at the time your application is made.

When applying, your adviser will notify the Insolvency Service of all your qualifying moratorium debts including 'additional debts' that are left off the application to be added later, for example, council tax for which a reminder is not yet in place.

You must include all qualifying debts on your application. If you have qualifying debts that you are not prepared to include, you would not be eligible for a Breathing Space.

Note: You can continue to make payments to debts included in the Breathing Space if you can afford to after paying your ongoing essential expenditure.

OBLIGATIONS AND RESTRICTIONS.

Breathing Space has obligations on you before and during the moratorium.

Before the moratorium, you must:

Take reasonable care to provide accurate information to your debt adviser.

Not deliberately withhold relevant information from your application.

To the best of your knowledge, provide details of all your debts at the date of your application.

During the moratorium, you must:

Inform your advisor if there is any change in your circumstances or financial position as failure to notify a change in circumstances could result in your Breathing Space moratorium being cancelled, examples of this are:

You start a new job

Your income increases

You experience a problem that affects your ability to pay your ongoing liabilities or engage with your debt adviser.

Pay all of your ongoing liabilities as they fall due, such as:

Mortgage or rent (excluding arrears owed at start of moratorium).

Insurance (i.e. motor insurance, home and contents insurance)

Income tax and national insurance contributions if you are not PAYE.

Utilities i.e. water, electricity, gas, heating oil, solid fuel.

Council tax (except where a reminder was issued and the whole bill for the year is included in your moratorium).

Any other excluded debts / liabilities listed above such as fines.

If you don't pay ongoing liabilities when you can afford to, your moratorium may be cancelled. Therefore, you must try to keep up these payments and let us know if you have a problem. If you fail to pay an ongoing liability because you can't afford it, your moratorium may not be cancelled but you must still tell us.

Failure to pay an ongoing liability may mean that your account goes into arrears and defaults. Any debt incurred during a breathing space moratorium cannot be later included in it so you could face enforcement on that defaulted debt and your credit rating could be affected.

Not take out further credit of £500 or more once the moratorium has started including overdrafts and any joint borrowing.

Note: the £500 is cumulative, so if you take out a loan for £450 and then open a bank account with an overdraft of £100, you have breached this restriction and your moratorium could be cancelled.

Engage with your debt advisor so they can provide you with advice and help you to consider potential options.

Failure to engage with your adviser may result in your moratorium being cancelled.