InformationNOW
Information for people in Newcastle upon Tyne

Dealing with debt

Debt can be a problem at any age. There are many factors that can lead to debt problems, such as being out of work, illness, disability, divorce, bereavement and having a low income. If you have a low income you may rely on high interest loans or credit cards to pay bills or buy essential things, which means you end up in more debt.

There are organisations that can help you to deal with your debts and it is important not to panic. If you are in debt, the worst thing you can do is to ignore the problem, as it will only get worse. By taking the following steps, you can help to get your finances in order and work out how to deal with the problem.

Make a list of your debts

This is the first thing that you need to do in order to tackle the problem. Make a list of all the people that you owe money to. These are called your creditors. Write down their name and contact details, your account or reference number, and the amount of money that you owe. Once you have completed this list you can then work out which debts to deal with first. Some debts are more urgent than others, which is explained below.

Priority Debt

Priority debts have serious consequences, such as: a bailiff removing your household items, a court order or imprisonment. These are the debts you must think about first:

- **Mortgage arrears**
- **Rent arrears**
- **Fuel arrears**
- **Council tax arrears**
- **TV licence**
- **Court fines**
- **Arrears of maintenance payments**
- **Income tax or VAT arrears**
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- **Hire purchase debts** in some circumstances
- **Independent Voluntary Arrangements**

Non-payment of the above debts could result in you losing your home, having your fuel supply cut off, your essential goods being repossessed or bailiffs taking your belongings. As a final resort you could be sent to prison or be made bankrupt. See below for Local Advice and support.

Non-priority debt

Non-priority debts are not as urgent, as the consequences of non-payment are not as severe. They include the following:

- Benefit over payments
- Credit debts such as, overdrafts, loans, credit cards hire purchase and catalogue debts
- Student loans
- Money borrowed from family or friends

It is still important to acknowledge and to deal with these debts, but they are not as urgent as the priority debts.

Work out your budget

To do this you will need to list all of your income and expenditure. It is important that you are honest about your expenditure or you will not be able to produce a realistic budget plan.

The following list gives some ideas of the things that you will need to include:

Income

- Earnings for your household
- Benefits
- Maintenance payments for you or your children
- Contributions from other family members or lodgers

Expenditure

- Housing costs, such as, your mortgage or rent
- Council tax
- Fuel and water charges
- Telephone charges
- Housekeeping, such as, food and cleaning products
- Travel expenses
- Insurance
- Television licence
- Childcare costs
- Clothes
- Any other essential expenses

For more information please visit the Information Now article on **Managing your Money.**

Contact your creditors

When you have listed all of your income and expenditure you will be able to see whether you have any money left over to pay off your debts and to identify any areas where you can make savings. Once you have done this, you should contact each of your priority creditors and send them a copy of your budget. They will then make arrangements for you to make payments based on the amount you can afford. Once you have done this, you should contact your non-priority creditors and come to an Independent Voluntary Arrangement with them.

We have listed some organisations on the right hand side of this page that can help you to do this.

Financial Help

There are ways of increasing your income to help with debt, and other ways of helping to pay one-off debts.

Benefits

If you are on a low income and struggling to pay essential costs, it is important to have your benefits checked to ensure that you are receiving all the help that you are entitled to. It may mean that you could qualify for Pension Credit, Council Tax Benefit, or another means-tested benefit. If you have a disability, there may be other benefits that you can claim such as Personal Independence Payment (PIP) or Attendance Allowance. See our section on **Benefits** for further information.

Search for Benefits advice organisations

Location:
Postcode:
Search

Energy or utility debt

Some energy suppliers have schemes to help vulnerable customers having problems paying their bills. For more information please visit the Information Now article on **Help with heating problems and how to pay for them.**

Financial help from Charities

If you are not eligible for assistance from your utility provider you may be able to get some financial assistance from a charity such as;

Turn2us is a charity helping people to find out about the charitable grants and state benefits they may be entitled to.

SSAFA Forces Help may be able to offer debt advice and help to people who have served in the armed forces. If SSAFA are unable to help, they will try and find another charity that can.

Local debt advice and practical help

If you need someone to help you to sort out your debts, contact creditors, or apply for financial help, there are organisations that can assist you.

Specialist Debt Advice

Citizens Advice Newcastle in Newcastle have a specialist Debt Advice Service to provide advice and assistance to clients with debt problems. You can access the service by contacting your local Citizens Advice Bureau who will then refer you to the service.

Newcastle City Council: Active Inclusion – Money Matters team provide face to face debt and budgeting advice to vulnerable people who need intensive support to try and stop them becoming homeless.

Shelter North East are a charity who offer face-to-face specialist housing, housing debt and welfare benefits advice through a team of legal advisers.

PayPlan are a national advice service. They offer a freephone telephone helpline and online advice. They can help with budgeting and debt management..

National Debtline provide a telephone advice service and a range of online self help tools to help you deal with your debts.

StepChange Debt Charity is a registered charity whose purpose is to assist people who are in financial difficulty by providing free, independent, impartial and realistic advice. They can also help you to devise a debt management plan.

Christians Against Poverty (CAP) is an award winning charity which provides free debt counselling, money management courses, budgeting support, and assistance with serious debt problems. The service is open to everyone. They also have self help guides available for free on line.

Money Advice Service is an independent government service set up to help people manage their money. They have developed a Debt Advice Locator where you can find free, confidential and impartial debt advice near you, as well as the **Money Helper service**.

Debt advice from your social housing provider

Newcastle Council Housing is a social housing provider. They offer a financial inclusion, debt and money advice service in Newcastle to council tenants.

Speak to your housing provider if you need help with debt advice. There are a number of housing associations that provide housing in Newcastle such as:

- **Anchor**
- **Bernicia**
- **Byker Community Trust**
- **Castles to Coasts**
- **Home Group**
- **Housing 21**
- **Karbon Homes**
- **Johnnie Johnson Housing**
- Leazes Homes
- **Methodist Homes Housing Association (MHA)**
- **Places for People**
- Railway Housing Association
- Riverside Housing

Budgeting advice

Money Advice Service offers a full range of money advice with online guides, a freephone helpline and online chat advice.

Clean Slate help vulnerable people with drug and alcohol addictions or who are in recovery, to regain control of their finances. They offer free, confidential help and advice to help you get back in control of your money. They offer training so you can learn how to manage your money well and avoid financial problems in the future. They can help you claim benefits, manage debt, find an affordable loan, budget, and find a good energy deal.

Loan Sharks

Illegal money lenders or Loan Sharks operate outside of the law, taking advantage of people who need cash quickly. They often charge very high interest rates and sometimes use threats and violence to frighten people who can't pay back their loan. They may resort to bullying and threatening tactics to try to recover the debt. Please do not be tempted to use a loan shark even if you think you can't borrow money because you have a poor credit history, are struggling with your finances or your income is low. Please see the article on **Loan Sharks** for more information on support available and how to report a loan shark operating in your area.

Other Useful Information

Mental Health and Debt Guide – advice guide from moneysavingexpert.com

YMCA Newcastle youth workers offer confidential support, information and advice to young people. They can help with a range of issues such as: housing and financial hardship.

You may also find these sections on Information Now useful which includes information about bank accounts, savings and financial advice.

- **Affordable Credit**

- **Credit Unions**
- **Getting Advice About Your Finances**
- **Savings and Investments**

Age UK England information on Debt advice www.ageuk.org.uk

IVA.co.uk – advice and information about Individual Voluntary Arrangements, debt solutions and bankruptcy.

Newcastle's Borrow Wisely Leaflet for more information on making good decisions about the best way to borrow money.

Financial Stress – Information from **NHS.UK**

Dealing with Debt guide Age UK England

The Money Advice Trust is a national charity, helping people across the UK to tackle their debts and manage their money with confidence.

If you are experiencing stress or isolation as a result of worries about money, there are ways social prescribing may be able to support you.

For more ways to save money Newcastle City Council have a **Budgeting leaflet** with tips on how to reduce your household expenditure.

> The information on this website is for general guidance and is not financial advice. If you need more information or personal advice, please contact an Independent Financial Adviser. For more information please read **Getting Advice About Your Finances**

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Useful Organisations

Citizens Advice Newcastle (CAN)

Email: citycab@newcastlecab.org.uk

Website: http://citizensadvice-newcastle.org.uk

Telephone: 0808 223 1133

Address: 4th Floor, City Library, NE1 8AX

Shelter

Email: shelternortheast@shelter.org.uk

Website: www.shelter.org.uk

Telephone: 0808 800 4444

Address: Shelter North East, NE1 5PG

Newcastle Council Housing Services

Email: council.housing@newcastle.gov.uk

Website: https://new.newcastle.gov.uk/housing/council-housing/

Telephone: 0191 278 7878

Address: Newcastle City Council, NE7 7LX

SSAFA – The Armed Forces Charity

Email: tyneandwear.branch@ssafa.org.uk

Website: https://www.ssafa.org.uk/tyne-wear

Telephone: 0191 222 0803

Address: Fenham Barracks, NE2 4NP

British Gas Energy Trust

Email: bget@charisgrants.com

Website: www.britishgasenergytrust.org.uk

Telephone: 01733 421 021

Address: PO Box 42, PE3 8XH

StepChange Debt Charity

Email: contactus@cccs.co.uk

Website: www.stepchange.org

Telephone: 0800 138 1111

Address: Wade House, LS2 8NG

Stop Loan Sharks

Email: reportaloanshark@stoploansharks.gov.uk

Website: www.stoploansharks.co.uk

Clean Slate

Email: hello@cleanslateuk.com

Website: www.cleanslateuk.com

Telephone: 07759 032 646

Address: Clean Slate , NE1 6UF

Christians Against Poverty (CAP)

Email: timgoodship@capuk.org

Website: https://capuk.org/

Telephone: 0800 328 0006

Address: Newcastle West Debt Centre, NE15 6JL

Age UK England

Email: contact@ageuk.org.uk

Website: www.ageuk.org.uk

Telephone: 0800 678 1602

Address: Age UK, EC3N 2LB

Money Matters at Newcastle City Council

Email: moneymatters@newcastle.gov.uk

Website: https://www.newcastle.gov.uk/debthelp

Telephone: 0800 1707 008

Address: Money Matters - Newcastle City Council, NE1 8AX

PayPlan

Website: www.payplan.com

Telephone: 08000 280 2816

EDF Energy Fund

Email: edfet@charisgrants.com

Website: https://www.edfenergy.com/help-support/PSR

Telephone: 01733 421060

Address: PO Box 42, PE3 8XH

Money Helper

Email: pensions.enquiries@moneyhelper.org.uk

Website: https://www.moneyhelper.org.uk/en

Address: Holborn Centre, EC1N 2TD

NHS

Website: www.nhs.uk

Turn2us

Website: www.turn2us.org.uk

Address: Unit 9, CF15 7QQ

IVA.co.uk

Website: www.iva.co.uk

Telephone: 0161 730 0122

National Debtline

Website: https://nationaldebtline.org/

Money and Pensions Service (MaPS)

Email: contact@maps.org.uk

Website: https://maps.org.uk/

Telephone: 01159 659 570

Address: Holborn Centre, EC1N 2TD

Money Advice Trust

Email: contactus@moneyadvicetrust.org

Website: https://www.moneyadvicetrust.org/

MANE (Money Advice Newcastle East)

Email: help@moneyadvicene.co.uk

Telephone: 07436 569208

Address: St Martins Church, NE6 2RJ

Citizens Advice Northumberland

Website: https://www.citizensadvicenorthumberland.org.uk/

Telephone: 0800 144 8848

Address: Post Office Chambers, NE63 8RH

YMCA Newcastle

Email: enquiries@ymcanewcastle.com

Website: https://ymcanewcastle.com/

Telephone: 0191 275 9855

Address: YMCA, NE6 3AB

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