

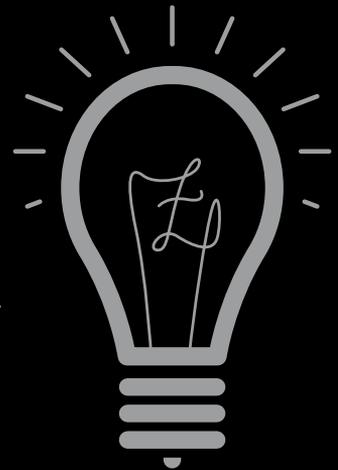


Money Matters

The guide to financial wellbeing



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Dos and don'ts of debt management

DON'T ignore debt problems and hope they'll go away. They won't.
And the longer you leave them, the worse your problems will get.

DO make sure you're claiming everything you're entitled to.

DON'T forget to use a budget sheet to work out your incomings and outgoings.

DON'T borrow even more money to pay off your debts without getting advice, as it could push you deeper into financial trouble.

DO prioritise your debts and tackle the most important ones first (the ones that put your home or energy supplies at risk).

DON'T get in touch with some of your creditors but not others – deal with all your debts one by one, even the ones that don't seem important.

DO work out debt repayments that you can manage, rather than try to pay them off too quickly, which could lead to even more debts.

DON'T give up if your creditors are not being helpful; keep trying to reach an agreement with them.

DO keep copies of every letter you send and receive while you're tackling your debts.

How to begin

The first step to tackling debt is to recognise you have a problem. Then you can start to work out how much money you have coming in compared with how much you spend, as well as devising ways of making more and spending less.

Feeling stressed about your finances? Not sure if you're on the road to having debt problems? If any of the following apply to you, it's time to start giving your finances some serious thought.

You can't put a figure on what you owe

Not being aware of exactly how much money you owe could mean your debts may be more serious than you think.

You don't pay your bills on time

Not paying bills when they're due could mean you'll have to stump up for extra charges, which means more of your cash is eaten up by debt.

You frequently exceed your credit limit

Going over your overdraft or credit card limit could also eat up more cash with high fees and charges.

You repay the bare minimum each month

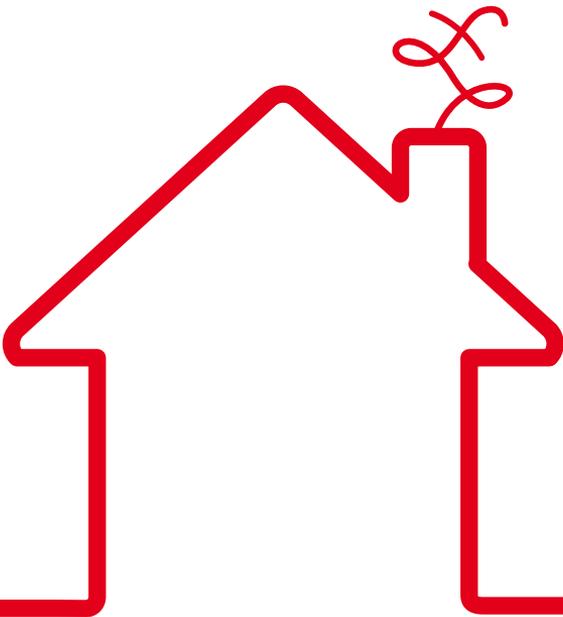
Paying the lowest monthly payments possible means your debts will take much longer to pay off and you'll end up paying lots more in interest.

You take out more loans to pay off your debts

Borrowing more to manage your debts just gets you deeper into trouble, because you'll have more debts to pay off. If you borrow on a credit card when you need cash – or worse, if you take out a payday loan – you could also face hefty interest charges too.

You use your credit card for cash

It may be tempting to withdraw cash on your credit card when your bank balance isn't as healthy as it should be, but the interest rates on credit card cash withdrawals are usually high, and you may also have to pay a withdrawal fee.



The good news is that if any of these situations sound familiar, taking steps now – rather than waiting until things get worse – can help you take control of your finances before things spiral out of control.

If any of these warning signs apply to you, you need to take action. If you do the right things now, you can take control of your debt. You'll be happier and you may find the process is easier than you expect. Remember, don't be afraid of tackling your debts – it's probably much easier than you think.

Budgeting: how to get started

Successful budgeting – in other words, making sure you don't spend more than you earn – is at the heart of any good debt management advice.

It doesn't have to be a chore, either. All you need is about half an hour every three months to conduct your own self-assessment, which will allow you to be fully in control of your budget.

The first thing to do is to complete a budget planner. This records all your outgoing expenses, from rent or credit card payments to utility bills and other sundry expenses. Include all your regular payments, even a daily cup of coffee or the bacon sandwich you buy on the way to work or college. Then compare your outgoings to how much money you have coming in.

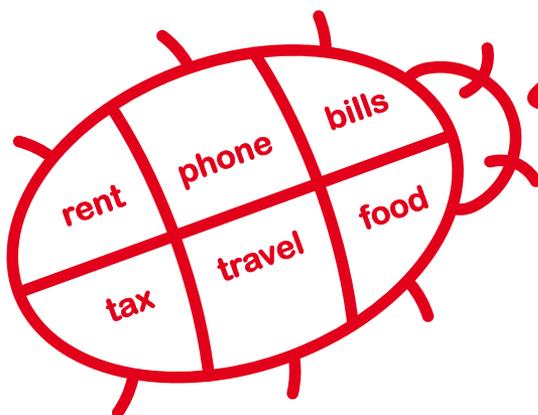
Knowing exactly how much you're paying out each month can help you work out where you may be able to cut back and

save money.

Take that daily cup of coffee, for instance. You may decide to cut back to one or two cups a week. A simple measure like this could save you quite a bit over the course of a year. And you could put that extra money in a savings account to help pay for course books, a holiday, Christmas presents or unexpected expenses.

The following pages in this guide have lots more information about budgeting that can help you.

Online budgeting tools can also be an effective way of monitoring your income and expenses. There are some examples of free internet-based budget planners and debt management tools that you may find useful on page 16.



“ It doesn't have to be a chore. All you need is about half an hour every three months to conduct your own self-assessment, which will allow you to be fully in control of your budget. ”

Five-point checklist



While tackling your debts, make sure you complete the following five steps on our checklist.

1. RAISING MORE INCOME

Find out if there are any other ways of making more money, such as claiming benefits you're entitled to or checking whether or not you're paying too much income tax.

2. MAKING SAVINGS

Ask yourself what ways there may be of spending less on your monthly bills, such as switching to a cheaper energy supplier or saving money on your food bill.

3. DEALING WITH DEBTS

When you have completed your personal budget plan, with all your incomings and outgoings listed, don't just sit back and relax. Now's the time to tackle your debts.

4. PRIORITISING DEBTS

Look at the most important debts, such as your rent, council tax, gas and electricity. These are the ones you should pay off first.

5. PAYING NON-PRIORITY DEBTS

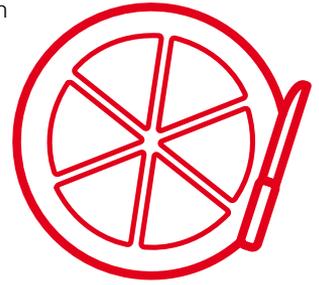
When you have tackled your priority debts it's time to work out how to manage any other, non-priority, debts – in other words, debts that don't put your home or energy supplies at risk. If you ignore your non-priority debts, it could lead to more problems in the future.

Remember ...

Small costs add up if you spend money on them regularly, so don't forget to include them in your personal budget planner.

Working out your expenditure

When you start working on your personal budget plan, you'll need to decide how much you normally spend on essentials – the basic things you can't do without – such as the electricity bill and other regular payments. Essential spending also includes things like phone costs, travel costs, food, clothing and other items such as cleaning materials. Some of these amounts will vary. Your food bills or how much you spend on clothes may well be different from one month to the next, depending on your circumstances. So think carefully about how much you put down for these expenses (you may want to calculate an average amount based on what you spend in a year). To help you work out what you spend on essentials, here are some of the things you should be aware of.



Rent

This should be the full amount that you pay each month on rent. Any rent arrears should be listed in the priority debts section, not the essential spending section.

Gas, electricity and water

If you pay these bills by a set monthly direct debit, these are the amounts that should be listed as essential expenditure. If you pay quarterly bills, take the last four bills you paid, add them up and divide them by 12 to get a monthly amount. If you're in arrears with any of these bills, the amounts should be listed in the priority debts section (for gas and electricity) or non-priority debts section (for water rates).

Paying your bills by monthly direct debit can save you cash. For more tips on saving money on energy bills, turn to page 7.

TV licence

Divide the annual cost of a TV licence by 12 to get a monthly amount. If you're not currently paying for a TV licence, remember that not having a licence is a criminal offence and can lead to a fine.

Hire-purchase/conditional-sale payments

This is where you list any payments for things you've bought on hire purchase or conditional sale, including a car.

Court fines

Magistrates' court fines are essential spending, whereas county-court judgements (CCJs) should go into the non-priority debts section.

Childcare

This is where you list fees you may be paying to a child-minder or a nursery, plus any other childcare costs such as fees for after-school clubs.

Phone

Include how much you pay per month for your home phone and your mobile.

Travel

Your travel costs should include how much you pay to get to work, school and when you go shopping. Work out the amount it costs you to run your car each month (including parking charges, maintenance and MOT costs), and/or how much you spend on public transport. As these costs can vary from one month to the next, you may want to work out an average based on what you spend over the course of a year.

Household costs

List how much you spend on things like food, clothes, cleaning products and toiletries. Where clothes are concerned, a reasonable amount per person per month is about £22. Or, as with travel costs, work out an average.

Miscellaneous costs

There are many other things you may have to spend money on from time to time, such as seeing the dentist, getting your eyes tested, having a haircut, buying Christmas and birthday presents and so on. Work out how much you spend on average on all these extra costs each month, and if you have other outgoings that aren't listed, don't forget to add those too.

Managing your money

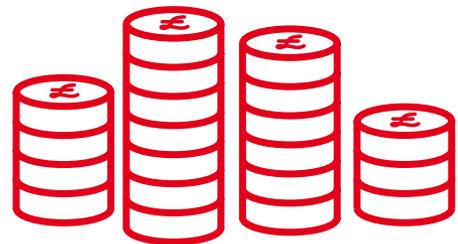
It's true that the cost of basic living, including all the essentials, from food to heating, is rising quickly these days. But there are some simple steps you can take that could help you to avoid money problems. The most important thing you can do in the initial stages is to create your personal budget plan.

Also get help as soon as possible if you find your debt is getting out of hand. The most common mistake is when people don't acknowledge they have a problem. Some try to survive by building up balances on different credit cards, passing debt from one credit card to another or repaying debts by increasing balances on other debts. When debt increases month by month in this way, it's a sign that you need to take action, fast. Make some time to take a thorough look at your debt and work out the best way of reducing it. Start to pay off credit card bills with higher interest rates first and, if you can, pay a little more each month to reduce your balance.

If you have a £1,000 balance on a card with an 18.9% APR and pay off £25 per month, it will take you five years and one month to clear the debt. But increase the amount you pay by just £5 to £30 per month, and it will take only three years and 10 months.

⚠ Remember ...

Credit card debts are non-priority debts – always pay off debts that put your home or energy supplies at risk first.



More ways to take control

The key to managing your money is to make sure that you control your finances, rather than letting them control you. When you complete a personal budget, you may find that you're spending more than you earn. If that's the case, it's time to look at ways of saving money.

You may be surprised how much you could save on your regular bills, so check you're getting the best deals for utilities such as gas and electricity, as well as phone charges. Start by joining the Cheap Energy Club at moneysavingexpert.com to save money on energy bills, or use comparison sites such as uSwitch.com, Confused.com, MoneySupermarket.com and SimplySwitch.

There are website-based budget calculators and other financial planning tools you can use, including the following.

- Moneysavingexpert.com's free budget planner, called Budget Brain is easy to use, and offers ideas on how to make savings.
- For more specific advice about managing your debts, Step Change Debt Charity (stepchange.org) – formerly the Consumer Credit Counselling Service – has a useful online tool called Debt Remedy that could help. Or you could try My Money Steps (mymoneysteps.org), which also offers free, confidential and independent debt advice.
- There's also more information on successful budgeting and overcoming debt on the Citizens Advice website (adviceguide.org.uk) and National Debtline's website (nationaldebtline.co.uk).

⚠ Remember ...

If your personal budget sheet shows that you have money to spare, why not increase your debt repayments to pay them off faster?

⚠ Remember ...

Find out if you're entitled to additional income in the form of benefits by checking the **benefits calculator** at turn2us.org.uk

Easy ways to save money



It makes sense to avoid unnecessary spending when you're on a budget. But you can also save money on basic essentials such as food, gas, electricity and water, as well as some of those other payments you make on a regular basis.

Eat well on a budget

The cost of food keeps rising, but there are ways of eating for less without compromising your diet. Try these money-saving food tips.

Plan ahead

Before you go shopping, write down all the meals you want to cook in the coming week and make a list of the ingredients you'll need. Don't be tempted to buy anything that's not on the list while you're shopping.

Buy what you need

Don't buy lots of fresh fruit and vegetables at the same time because you may not be able to eat them all before they go off. Just buy enough for the next day or two. And remember, canned and frozen fruit and vegetables are usually cheaper than fresh, but just as nutritious.

Use your freezer

Look out for reduced-price bargains that have to be eaten the same day and freeze them as soon as you get home. You can also save on cooking fuel by making enough for two or three portions each time you make a meal, and freezing what you don't eat.

Shop around

Local markets often sell fruit, vegetables, fish and meat cheaper than supermarkets. Farmers' markets are also usually cheaper too, especially when you buy produce that's in season. If there are no local markets where you live and your only option is a supermarket, try the store's own-brand foods. These are usually cheaper and are just as nutritious as well-known brands. Also save on buying expensive cuts of meat by looking for cheaper sources of

protein such as tinned fish (sardines and pilchards, for instance), turkey or beef mince, stewing steak, beans, chickpeas and lentils. Most importantly, never go shopping when you're hungry, as you may well end up buying more than you need.

Throw less away

According to the recycling organisation WRAP UK, the average UK family could save up to £680 a year by tackling food waste. Cut down on food waste by keeping leftovers in the fridge and making a meal of them the next day.

Grow your own

Try growing your own fruit and vegetables if you have a garden. Even if you only have a patio, many types of fruit and vegetables can be grown in containers and pots.

Spend less on energy

Like food, the cost of electricity, gas and water keeps going up too. Fortunately, there are lots of ways to cut your energy bills, including the following.

Heating

The majority of energy used in the home goes on heating, which is where some of the best savings can be made.

- Around a quarter of the heat from your home goes straight through your roof if you don't have proper insulation. Loft insulation usually lasts for at least 40 years, but it pays for itself within two to four years in fuel bill savings. Another way to save is by having cavity wall insulation. Not all houses are suitable, but if your home was built between 1930 and 1980 cavity wall insulation could keep your home warmer, which means lower heating

bills. The big gas and electricity companies offer grants and loans for insulation. Find out more at energysavingtrust.org.uk

- Cut your heating bills by turning down your heating thermostat. According to the Energy Saving Trust, reducing your room temperature by just 1°C could cut your heating bills by up to 10%.
- Install draught excluders on your doors and windows and stop heat escaping through your floor by filling any gaps under your skirting boards (use a suitable sealant, wooden beading or even newspaper). Drawing your curtains or blinds at dusk could also save you money by stopping heat from escaping through your windows.
- If you have gas central heating, ask your landlord to get the boiler serviced every year to make sure it's running efficiently.

Hot water

Here's how to save money on water heating and still have hot water all day.

- Turn the thermostat on your hot water tank down to 60°C. The water will still be hot enough for a bath or shower, you'll just need less cold water.
- If you have a hot water tank, lagging it could save you cash too. Lagging jackets aren't expensive, and usually pay for themselves within a year. Make sure you fit one that's at least 75mm thick.

Washing and drying

If you use a washing machine and tumble dryer at home, there are more savings to be made.

- Wash your clothes at 30°C. Washing powders are designed to work effectively at low temperatures these days, so 60°C washes aren't usually necessary.
- Put your clothes out to dry instead of using a tumble dryer. If you can't air your clothes naturally during the winter months, make sure your clothes are thoroughly wrung out before you put them in the dryer. You could also try using dryer balls, which claim to save 25% of drying time.

Lighting and appliances

Around 16% of the energy used in the average home goes on lighting and appliances. The good news is there are savings to be made here too.

- Never leave TVs, DVD players, set-top boxes, mobile phone chargers and other appliances on standby. If a device is humming or has a red light glowing, it's wasting energy. Switch them off completely or unplug them. Turning off lights in rooms you're not using will also help to save electricity.
- Use low-energy light bulbs. Changing just one ordinary bulb for a low-energy bulb can save money over time. And while they cost more than ordinary bulbs, low-energy bulbs last around 12 times longer (buy them at any supermarket or DIY store).
- Other ways to save electricity include filling a kettle only with as much water as you need and fully loading your washing machine, tumble dryer and dishwasher before using them.

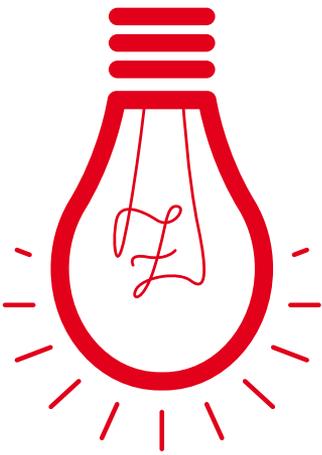
Water

Water rates are also more expensive these days. But here are a few ways to pay less.

- If you live alone or with just one other person and you're careful about how much water you use, it's likely that you're paying too much if you're on a standard charge, so consider switching to a water meter.

But if you have several people in your household, you could end up paying more with a water meter installed. Ask your local water company for advice if you're not sure whether having a water meter could help reduce your bills.

- Put a cistern dam in your toilet. This cuts the amount of water you use in flushing by a third. Some water companies distribute cistern dams to customers free of charge, so ask your supplier.
- Finally, reduce the amount of water you use by fixing leaks and drips. A dripping tap could waste 20 litres of water a day.



Should you switch?

Constantly increasing bills result in an ever-diminishing amount of money being left in your pocket at the end of each month. But one of the easiest ways of boosting the cash at your disposal is by switching suppliers.

From energy bills to insurance premiums and broadband packages to credit cards, there are hundreds of pounds worth of savings to be made for anyone who's prepared to shop around. And switching is often far easier than you may think.

But you do have to do your homework. Well before your current contract expires, you should do plenty of research, both online and over the phone, to get a full picture about the product or service that's right for you. And remember, while there are lots of utility or financial products that look the same, the level of service you receive may vary considerably. In other words, the cheapest option may not always be the best one.

Price comparison

The process of comparing packages has become much easier with the internet. There are some excellent websites that find the best deal for you, whether you want to change utility provider, get a cheaper credit card or find a broadband package that gives you more for less.

If you have time, it's worth using as many price comparison sites as possible. It's also worth remembering to check the details. For example, one car insurance policy may include legal cover while another – which may only cost few pounds less – may not. So in this instance it might be worth paying a little more.

And don't forget to call the company that provides your current service. If you tell them you're considering switching, they may find ways of reducing their prices or giving you a better service.

Tackling your debts



Depending on what type of debts you have, there may be one or more options for settling them. The important thing to do is to take action as soon as possible.

Dealing with priority debts

The debts you should settle first are called priority debts. These are debts that, if left unpaid, could lead to you losing your home, your gas and electricity being disconnected, your belongings being taken by bailiffs or you going to prison. The most common priority debts include the following.

Mortgage, rent or secured loans

Non-payment of any of these bills could cost you your home. If you fail to pay your mortgage, rent or a loan secured on your home, your lender or landlord usually won't take steps to repossess or evict you before considering all other options. So if you're falling behind, contact your lender or landlord as soon as possible to arrange paying off what you owe.

Council tax

If you are a full time college or university student, in most cases you won't have to pay council tax. However, if you should be paying it, in extreme circumstances you could be sent to prison for not paying your council tax. You could also have a fixed amount taken automatically from your wages or benefits to pay what you owe. The council could even send bailiffs to your home to remove goods that may be sold to settle your debt. So it's important to come to an arrangement with your council and pay what you can afford as soon as possible. Discounts are also available in certain circumstances – contact your council to find out if you're eligible.

Gas and electricity

If you don't pay your gas and electricity bills you could end up getting disconnected. But this is a last resort, and you must receive notice first. Start by contacting your supplier to organise a payment arrangement, such as paying your bills every week, fortnight or month. If you agree to a payment arrangement, most fuel suppliers won't disconnect you. But you must keep paying for the gas and electricity you're using while the payment arrangement is being sorted out. You may also be asked to consider having a pre-payment meter installed in your home.

TV licence

It's a criminal offence to watch live TV without a valid licence, which means you could end up in court if you don't have one. There are a number of different ways you can pay your TV licence. Visit tvlicensing.co.uk to find out which payment option would suit you best, plus whether or not you may be eligible for a discount or a free TV licence.

Magistrates' court fines

Courts can use bailiffs to take goods from your home or take money automatically from your wages or benefits to help pay any outstanding fines. You could even be sent to prison if your fines remain unpaid. If you don't have enough money to settle a fine, make arrangements with the court to pay what you can afford in instalments.

Child maintenance

If you are divorced or separated and have children you may have been ordered to pay child maintenance by the court. But if you can't afford the payments, contact the court as soon as possible to discuss getting them reduced. Not doing anything about it could lead to the court sending bailiffs to your home or taking money directly from your wages or benefits. In the worst case scenario, you could be sent to prison for not keeping up with your payments. If you're having difficulties paying child maintenance through the Child Support Agency (CSA), contact the agency direct to make a repayment arrangement.

Benefits overpayments

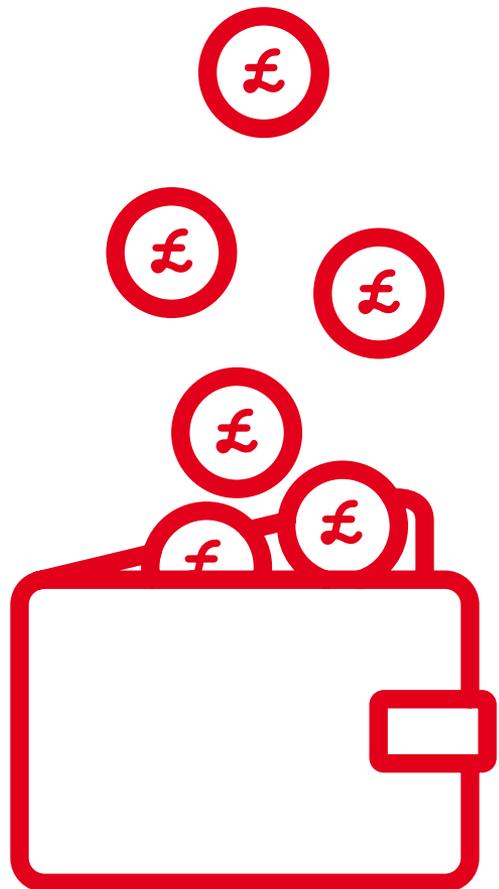
Being paid too much in benefits or tax credits may sound like a good thing, but in most cases you'll have to pay the excess back in the future. If this puts you in financial difficulties, try to come to an arrangement with the Department of Work and Pensions to pay what you can afford or, in certain circumstances, even to write off the debt. Also remember that if you're working, the DWP can take money directly from your wages to recover the debt if you don't agree to a payment plan.

Income tax

Not paying your income tax could lead to HM Revenue & Customs (HMRC) sending bailiffs to take goods from your home or declaring you bankrupt. In extreme circumstances, you could end up in prison. If you have a small business that's having problems paying tax, find out how to tackle it by visiting the Business Debtline website (bdl.org.uk).

HP agreements

Creditors can repossess goods without a court order if you've paid off less than a third of the agreement. If you've fallen behind with your HP payments, you could return the goods and cancel the HP contract. But if you need the goods – if it's a car you need for work, for example – contact your creditor and try to come to an agreement with them.



Five-point checklist



Use this five-point checklist to make sure you've completed all the right steps when tackling priority debts.

1. PLANNING YOUR BUDGET

The easiest way to work out how much you could afford to spend on paying off priority debts is to complete your personal budget plan, where you list all your incomes and expenditures.

2. PAY AS MUCH AS POSSIBLE

Once you've worked out which debts are a priority, find out from the creditor if they have a specific amount they would like you to pay. Make sure you regularly maintain the arranged payments and be sure to contact the creditor immediately if you feel you will be unable to do so. You may wish to consider making a higher payment in some months if you have any unexpected surplus income.

3. SPEAKING TO CREDITORS

If you're behind or struggling with payments, contact your creditors and let them know about your situation. Tell them you're taking steps to tackle your debt, even if you haven't decided how much you can afford to pay. Keeping your creditors informed may prevent them from taking any immediate action. Even if they've already decided to take action, starting a discussion with your creditors could buy you some time.

4. COMPLAINING ABOUT UNFAIRNESS

There are several situations where you may feel you've been treated unfairly. If so, find out if there's an ombudsman service that deals with the type of debt in question. If you've already made a complaint to your creditor, you could approach the ombudsman for advice.

5. GETTING MORE HELP

There is lots of help available, you can contact Citizens Advice (adviceguide.org.uk) or National Debtline (nationaldebtline.co.uk).

Dealing with non-priority debts

Once your priority debts are under control, it's time to deal with the non-priority ones. Remember that just because non-priority debts don't involve drastic consequences such as losing your home or going to prison, it doesn't mean you should ignore them.

Many types of debts are classed as non-priority. These include debts on credit or store cards, water rate arrears, business debts, late tenancy arrears, repossessed mortgage shortfalls, unsecured loans, payday loans, catalogue payment arrears, unpaid phone bills and contracts, overdrafts and even personal debts to friends and family.

In general, any money you have left over after making payments towards priority debts should be divided up between your non-priority creditors. Write to your creditors and ask for any interest and charges to be frozen, and find out if they will agree to what you're offering to pay.

Ways to pay

Once you have made an arrangement with your creditors or the debt collection agency that has been appointed to deal with your case, find out what your options are in terms of how you can pay.

This may include paying by standing order from a bank account, using a paying-in book, using a PayPoint (paypoint.co.uk) or Payzone (payzone.co.uk) outlet at a local shop, paying at your creditor's office or store, paying collectors who call at your home on a regular basis or by sending cheques or postal orders. Whichever method you choose to pay, always keep up-to-date records of what you've paid and when.

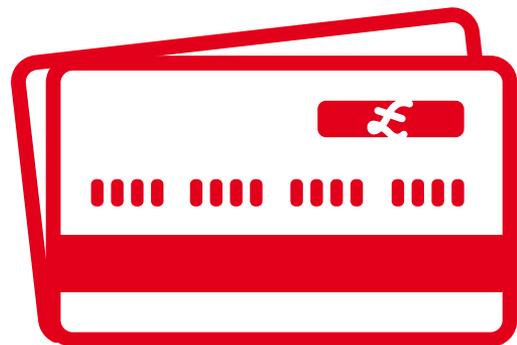
If your creditor doesn't agree to the amount you're offering to pay, or if they don't freeze the interest on your payments, keep trying to reach an agreement with them. Start making the payments you've suggested, and write to them again and tell them it's all you can afford. Send them your personal budget plan so they can see exactly how much money you have available to pay them.

You can make a complaint to the Financial Ombudsman Service if you feel your creditors are treating you unfairly or acting unreasonably. Find out what are considered unfair business practices by reading the Office of Fair Trading's Debt Collection Guidance (oft.gov.uk).

Bank and credit card debts

Overdrafts, bank loans and credit card debts are non-priority debts too. But because banks and building societies can take money directly from your account, it can make life difficult if you're not left with enough money to live on.

Banks can also use what's called the right of set-off to use the money in your account to clear your overdraft or loan all at once. To avoid this, open another account at a different bank or building society for paying in your wages and/or benefits.



Five-point checklist



When you're dealing with non-priority debts, use our checklist to make sure you're doing everything necessary.

1. USING YOUR BUDGET PLAN

As with priority debts, having your personal budget planner to hand is essential for working out how you could pay non-priority debts too. It could also help you negotiate with your creditors, as they may ask to see evidence of how much you can afford to pay them.

2. SPEAKING TO CREDITORS

One of the first steps to dealing with non-priority debts is to contact your creditors and let them know you're struggling. Keeping them informed may prevent them from taking any immediate action and give you more room to manoeuvre.

3. OPENING A BANK ACCOUNT

If you're in debt to a bank or building society, consider putting your wages or benefits into a new account at a different bank or building society.

4. REPLYING TO LEGAL LETTERS

Your creditors may issue a county court claim against you if you don't settle your debts. Always fill in the forms the court sends you and make sure they're returned to the correct address by the date specified. If you don't deal with these forms on time, the court can take action, such as sending bailiffs to your home.

5. KNOWING YOUR OPTIONS

There are several ways of dealing with non-priority debts, and you may end up using one or more of these options. Get plenty of advice first and make sure you know exactly what's involved with each of these options.

Other debt solutions

Depending on your circumstances, you may want to consider other ways of settling your debts. The options available to you may include one or more of the following.

Debt management plans (DMPs)

If you have around £100 or more available in your budget each month to pay towards non-priority debts, you can arrange a DMP with a debt management company. This involves making one payment a month to cover all your debts, but you must usually have three or more creditors and owe at least £5,000 altogether. Some DMPs are free, but others involve set-up costs and handling fees. So shop around before you commit yourself and make sure you use a company licensed by the Office of Fair Trading.

Bankruptcy

If you have a lot of debts and you can't see how you could ever pay them off, you could, as a last resort, consider filing for bankruptcy. But bankruptcy has serious consequences: any assets you have, including your home, could be sold to pay towards your debts. Being made bankrupt will affect your credit rating. You will normally be discharged from bankruptcy after a year. Find out more at gov.uk/bankruptcy

Individual voluntary arrangements (IVAs)

An IVA is an alternative to bankruptcy. These formal arrangements are made through the county court and involve paying an agreed amount towards your debts over a specified period, usually between three and five years. You must set up an IVA through a licensed insolvency practitioner, who will charge considerable fees for preparing and running your agreement. So it's only worth setting up an IVA if you owe more than £15,000.

Debt relief orders (DROs)

A DRO is a cheaper option than bankruptcy if you owe less than £15,000, have less than £50 a month spare income and have less than £300 worth of assets and a car worth less than £1,000. Unlike bankruptcy it doesn't involve going to court, but you must apply to the official receiver for a DRO through an authorised debt adviser. Like bankruptcy, DROs are usually discharged after 12 months, which means your debts will be written off after that time.

Find out more about these and other ways of paying your debts at gov.uk/options-for-paying-off-your-debts

DEBT

Useful resources

There's lots of help available from a range of organisations if you need more help with financial matters. The following website links may prove useful if you need more information.

Managing your money

Agencies for checking your credit rating: Experian (creditexpert.co.uk), Equifax (equifax.co.uk), Noddle (noddle.co.uk), Checkmyfile (checkmyfile.com).

To make a complaint about a credit reference agency: financial-ombudsman.org.uk

Online budget planner: moneysavingexpert.com/banking/Budget-planning

How to trace lost accounts and savings: mylostaccount.org.uk

Savings and investments

Money Advice Service's savings comparison table: compare.moneyadviceservice.org.uk/savings

Money Advice Service's savings calculator: moneyadviceservice.org.uk/en/tools/savings-calculator

How to protect yourself: fsa.gov.uk/Pages/consumerinformation/stay_safe/protect_yourself/index.shtml

General debt advice

How to pay off your debts: gov.uk/options-for-paying-off-your-debts

National Debtline: nationaldebtline.co.uk

Citizen's Advice: citizensadvice.org.uk

Step Change Debt Charity's Debt Remedy tool: stepchange.org/Debtremedy.aspx

Independent debt advice: mymoneysteps.org

Debt advice for small businesses (Business Debtline): bdl.org.uk

Information on bankruptcy: gov.uk/bankruptcy

Saving money

Moneysavingexpert.com's Cheap Energy Club: moneysavingexpert.com/utilities/you-switch-gas-electricity

Switch and save websites: uSwitch.com, simplyswitch.com, electricityprices.org.uk, moneysupermarket.com/gas-and-electricity, confused.com/gas-electricity,

Grants and loans for home insulation: energysavingtrust.org.uk/Take-action/Find-a-grant

Help and advice with energy bills: homeheathelpline.org.uk

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