

MADE OF MONEY

SESSION 3: Credit and Debt

Worried about debt? Information about free debt advice....

*It can be difficult to know what to do when you're struggling with debt – very often running away is a tempting thought! However, there is no need. You are not the first person to find themselves with debts- and **free, non-judgemental debt advice services are available!***

→Can I get free debt advice?

Yes you can. Everyone is entitled to free debt advice.

→ How do I get free debt advice?

By looking for free agencies that exist in your local area. A good starting point is often the local Citizen's Advice Bureau.

→What about companies that can reduce your monthly payments or consolidate your debts?

The golden rule is: Avoid any debt advice you have to pay for.

There are companies, often referred to as commercial debt management companies, who charge for debt advice through a range of management or advisory fees. Using them will add to your debt as they are commercial companies ultimately concerned with profit. In the short term their plans may make your payments lower and you may feel less stressed. However, in the long run it will cost you.

For instance, a woman who had been to a Made of Money group found herself paying a debt management company £20 a month to manage her debts, and so £240.00 a year that could have been going to her creditors to reduce her debts.

→How do I avoid these companies?

These companies commonly advertise on daytime TV and in the back of daily papers (like the Sun, Mirror and Star) and local papers. Some of them provide a doorstep service; knocking on your door. Some of these companies will often have names similar to the charities and organisations that do offer free debt advice. Read the small print and ask "Are you a not-for-profit organisation?"

Don't do business with them; remember that you have alternatives. Seek free, professional debt advice.

→Where do I go to get free advice?

Every local area will have somewhere you can go and meet with someone, who is experienced in giving debt advice, and will help you through and work out a repayment plan that you can afford. Your course facilitator should know about these and give you the contact details.

Alternatively, you can access either of these national services which are totally free:

National Debt line

Free phone: 0808 808 4000
www.nationaldebtline.co.uk

Stepchange

(formerly CCCS)
Telephone: 0800 138 1111
www.stepchange.org



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