

MONEYTALK

This is a sheet for you to use to identify where you can get more information for yourself or clients. You should supplement this with the information you have found for local services.

Don't feel you have to know all the answers. You are not a financial advisor. Refer people on to where they can get specialised help.

We have not produced the fact sheets or reproduced information from the sources referred to because **information can quickly become out of date**. We suggest you print out key sheets before each series of workshops or look up information as required on line.

Debt advice

Everyone is entitled to free debt advice, see separate sheet.

Bailiffs

What bailiffs can and can not do and the best way to deal with them

Citizen's Advice Bureau fact sheet on bailiffs <http://www.citizensadvice.org.uk/Documents/Advice/factsheets>

Basic bank accounts

If you aren't able to (or don't want to) open a bank current account most people are entitled to open a basic bank account.

Information on <https://www.moneyadviceservice.org.uk/en/articles/basic-bank-accounts> and Money Saving Expert <http://www.moneysavingexpert.com/banking/basic-bank-accounts>

CCJs (County Court Judgements)

The key message for clients facing the possibility of a CCJ is not to ignore it.

[More details CAB factsheet *What happens if you are taken to court for money you owe*](#)

If someone already has a CCJ it will affect their credit score – see below.

CDFIs (Community Development Finance Institutions)

This is a catch all term for a body that lends money to businesses, social enterprises and individuals who struggle to get finance from high street banks and loan companies. They help deprived communities by offering loans and support at an affordable rate to people who cannot access credit elsewhere. For more information see www.cdfa.org.uk



Credit checks/credit ratings

In the UK credit rating is not used. You have a credit history and when you apply for credit the lender will check that history and use its own scoring system for that particular product. Scoring systems are never published. They differ lender to lender and product to product. So just because one company rejects you, it *doesn't* automatically mean another will.

For more information including how to check your credit score see <https://www.moneyadvice.service.org.uk/en/articles/how-your-credit-score-affects-the-cost-of-borrowing>

Credit 'ratings' and 'blacklists' DON'T exist.

Credit Union

Credit unions are financial co-operatives owned and controlled by their members. They all offer basic savings accounts and loans and some will offer a lot more.

Most credit unions have a common bond which determines who can join it. This determines who can become a member of the credit union. The common bond may be for people living or working in the same area, people working for the same employer or people who belong to the same association, such as a church or trade union.

To find your local credit union and what it has to offer see <http://www.findyourcreditunion.co.uk/home>

Debt relief orders

A debt relief order is an order you can apply for if you can't afford to pay off your debts and do not have many assets or spare income. It is a cheaper option than going bankrupt. A debt relief order usually lasts for a year and during that time, none of the people you owe money to (your **creditors**) will be able to take action against you to get their money back. At the end of the year, you'll be free of all the debts listed in the order. However, your credit score will be affected and to obtain a debt relief order you must go through an approved intermediary, who will assess if this is the best route for you. See Citizens Advice for more information.

<https://www.citizensadvice.org.uk/debt-and-money/debt-solutions/debt-relief-orders/>

Household insurance

Insurance is an area where people are often tempted to make what are perceived as savings. The only insurance one must legally have is third party motor insurance (if one drives); public liability insurance (if one is an employer); and, buildings insurance (if one has a mortgage). However, if one chooses not to have household (contents) insurance one faces the risk of very significant costs in the case of burglary, fire or flood. It would be worth totting up just how much it would cost you to replace everything in your home.

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If you already pay insurance on any individual items, such as mobile phones, it is worth checking whether you could get household cover for not much more to cover these items and more. If you already hold insurance, check that you are not covered for the same thing on more than one policy, as you are only allowed to claim once. Also, take great care when offered any form of payment protection insurance (see jargon busters) as there have been many instances of miss-selling in this area.

More details – www.moneyadviceservice.org.uk

Loan shark v doorstep lender

Not all doorstep lending is illegal but

The doorstep sale or promotion of goods or services, such as double glazing or home improvements, on credit is illegal unless the company has a licence to sell credit outside trade premises. Any agreement that is improperly made may not be enforceable.

It is a criminal offence to try to make a cash loan outside trade premises unless the visit is made to your home in response to a written and signed request. Any agreement that is improperly made may not be enforceable.

This does not mean that all doorstep lending is illegal. The lender's first visit must be properly requested and the lender must be licensed. You can find out whether a money lender is licensed by checking the consumer credit register now managed by the Financial Conduct Authority at http://fca-consumer-credit-interim.force.com/CS_RegisterSearchPageNew. If you borrow money from someone who doesn't have a licence, you haven't broken the law – they have.

Illegal money lenders (known as loan sharks) often work from home, charge very high interest rates and don't provide you with much paperwork to confirm the arrangements they have made with you. Sometimes, loan sharks will take other illegal actions to collect the money they have lent you, such as threatening violence or taking away your credit cards or valuables.

There is a website that tells you more about loan sharks. Go to: www.direct.gov.uk/stoploansharks.

If you think a money lender is operating without a license, you can speak in confidence to the loan shark hotline. People running the hotline can give you advice about your situation and the information you provide helps them to take action to stop illegal money lending. The hotline number is 0300 555 2222. You can also report loan sharks by email on: stoploansharks@birmingham.gov.uk. Or you can send a text or SMS – text loan shark and your message to 60003.

Useful links

Citizens Advice Bureau www.citizensadvice.org.uk

The money charity www.themoneycharity.org.uk

Money Advice Service www.moneyadviceservice.org.uk

