



0800 612 6076
www.thedebtcommunity.co.uk

Welcome...



...to The Debt Community. We are an independent debt management company that has been registered with the Office of Fair Trading as licensed debt advisors since 2007. This means we are licensed under the 1974 Consumer Credit Act and give professional and ethical advice. The Debt Community is widely recognised within the finance industry for providing practical solutions to the financial plight in which many people find themselves in today's uncertain times.

This information is vital at a time when a growing number of consumers are unaware of how much money they are required to pay back to creditors and despite an increase in media attention, statistics show that millions of adults claim to only review their finances once a year or less, or shockingly never review their circumstances at all!

At The Debt Community, we completely understand how easy it is to avoid opening your bills and the constant struggle of trying to juggle your money or make it last each month, without the extra stress when something unexpected happens like your washing machine breaking. There are many people who are unfortunately faced with debt problems and we believe that these people deserve help and everyone has the right to have a second-chance.

What you can expect from us:

- **Free unbiased advice**
- **Support 24 hours a day, 365 days a year**
- **Friendly and approachable staff**
- **We always have your best interests at heart**

This short guide has been produced for your convenience however, should you have any further questions please do not hesitate to call, text or email us.

Remember our advice is completely free and so is the call.



Some facts that may startle you.

In 2006 it was reported that the average level of unsecured debt in the UK was £8,000 per household; this was an increase of more than 50% in just five years. For the first time in 2006 overall personal debt exceeded one trillion pounds and this was increasing by £1 million every four minutes. In 2010 it now stands at nearly £1.5 trillion.

If you take a deeper look into the circumstances that lead to debt you will see that as consumers we have never had so much choice and there are many simple aspects that contribute to our attitude towards debt. The lending market place has expanded because previously there was no place in the market for those with low-income or credit problems, however specialist lenders have evolved to fill this gap. We are a nation of homeowners and most people will do anything to get on the property ladder. More and more individuals are stretching themselves financially through mortgage lending and are therefore relying on further credit to fund day to day living expenses. Most people under the age of 35 who have attended some form of further education are likely to have completed their course in debt, such as student or graduate loans. This student culture reinforces that debt is normal and unavoidable.

With this in mind it is no wonder that

- **At the end of October 2009 UK personal debt totalled £1,458 billion**
- **The average household debt (including mortgages) is £58,000**
- **On average 1000 people are daily seeking some form of 'Debt planning'**
- **On average, a property is repossessed every 11 minutes**
- **Government agencies are under pressure and have reported a rising figure of enquires, currently they receive enquires from 9300 people daily which is twice as many as 8 years ago. It can take up to 8 weeks for an appointment for advice.**
- **Debt Advice agencies have said that the average person they deal with has in excess of £13,000 of debt**
- **Most people have debt that is 17.5 times their monthly income**

If you are concerned and would like to talk to a trained advisor, call now on 0800 612 6076. In under 25 minutes you could have taken a massive step to becoming debt free.

Where did all the debt come from?



It has been argued that it makes more sense for younger adults to take on a large amount of borrowing because as a person just finding their feet they have to deal with relatively high expenses: such as getting married, starting a family or buying their first home. This generation of adults then tend to maximise their earning potential once they have settled their home and family, so in theory they are borrowing when their expenses are already high but they can repay it later when their income is maximised as they have been able to focus on their career.

Naturally this is certainly not the case for everyone and with the best will in the world we can all plan out our lives, but it never plays out to our planning. Nobody can foresee their future and it is those life-changing events that shake our once-manageable finances and lifestyle. It was reported by the Consumer Credit Counselling Service that around half of those people who require some form of debt advice need help because of these unforeseen circumstances, for example, illness, redundancy, divorce, the arrival of a child or some other major event.

Although there are precautions put into place by creditors such as credit-scoring and other control techniques, they cannot predict these major events either. Obviously where it has been possible for a client to borrow, those inevitable changes will occur in their life and this leads to some borrowers suffering a burden of now unmanageable debt.

However, regardless of these credit checks we have witnessed through recent media coverage and the dreaded recession the consequences of irresponsible lending. Many clients have made the assumption that their bank or other financial lenders were the trustworthy, financial expert which was leading the client to think if they obtained a loan or were accepted for the credit card they were obviously deemed to be 'credit worthy'. Therefore, if the client was receiving confirmation that their credit limit was being increased higher and higher, surely they must be living within their means as the creditor would never offer them credit above their means? Wrong!

Add this frame of mind to the marketing we face on a day to day basis from radio advertisements, T.V advertisements, billboards and newspapers. We are led to believe we can live this 'We can have it all' lifestyle. Also take into account that we can buy almost anything on finance and we can easily believe that everyone is buying what they want and so why should I be any different?

All of us have to take personal responsibility for our actions and we can not fall for the belief that if we can not afford it, we would not be lent the money by the creditors. Most individuals who have got into financial difficulty will openly admit that they have made mistakes or fallen for inappropriate selling tactics, but there is always a percentage of people who bury their head in the sand and hope it will all just 'go away' with no planning or consideration as to how they can get back on their feet.



Problems with too much debt.

It is believed that up to one million UK households are suffering with debt in some form.

'Debt' is always associated with loans, credit cards and additional borrowing, but from looking at the consequences of over-indebtedness you can see that it is not that simple and perhaps this is why some of us do not realise that we have a debt problem. Over-indebtedness can arise from the build up of monthly household bills, late rent or mortgage repayments as well as the known credit cards, loans or higher purchase agreements.

If you look at the scale of over-indebtedness this can be broken up into three sections:

Stress

At the one end you have the constant stress which arises from the worry of knowing you are going to receive your gas or electricity bill but you have no idea of how you are going to pay for it? In some cases this is enough to place pressure on relationships and even put you under enough stress to affect your performance at work and cause additional problems. This stress is often enough to stop you opening mail and avoid answering the telephone. At this level you should seek some guidance or advice as simple and small changes are often enough to rectify a situation which you feel is growing out of control.

The Calls

The next problem comes from the involvement of collection agents, threats of door step collectors or going to court. When taking into account secured loans or higher purchase agreements whereby the payments are secured against the item (such as a car) the threat of repossession is common. In this case most people do not know the consequences and this fear of the unknown and all the confusing terminology and legal language is enough to make anyone fall into 'Fight or Flight' mode. At this stage the stress could have a detrimental effect on your health, your relationships and your work, which in turn all lead to other issues, so before you know it you feel like you have lost control and the easiest tactic is denial.

Health

The most severe consequences of over-indebtedness are forced bankruptcy or the repossession of your home. This has an obvious impact on anyone living in the home and forced bankruptcy can lead to the loss of employment, which could lead to depression and other stress related illnesses.

It is a harsh reality but more and more homes are being repossessed and latest figures show that an individual is made insolvent or bankrupt on average every 11 minutes. Thousands of people are faced with the above consequences at some level, yet so many people are not taking action and some people have no idea where to turn or what help they have available to them and unfortunately some people take their own lives as a result of this as they see no way forward.

Please do not put off making that call, the sooner you call the sooner we can help you get on the right track.

The Debt Community – 44A Lowtown, Pudsey, Leeds LS28 7AA

T: 0113 3188786 E: info@thedebtcommunity.co.uk F: 08444 820 132

Data Protection No: Z9297311 CCL No: 0605863

www.thedebtcommunity.co.uk

Understanding Debt Management.



The glossary below will help you understand some of the terminology used by financial institutions, debt management companies and your creditors.

Individual Voluntary Arrangements (IVA)

An Individual Voluntary Arrangement (IVA) is a formal proposal, made on behalf of the debtor by an insolvency practitioner. An arrangement is forged so that the debtor pays his/her creditors an arranged percentage of the overall outstanding amount, over a period of usually five years. At the end of the IVA term the outstanding debt is usually written off. It is important before entering in to this type of agreement that you fully understand the issues surrounding this type of action. An IVA is very advantageous for debts over £15,000 as part of the debt is legally written off.

Trust Deed (Scottish Trust Deed)

A Trust Deed is a voluntary agreement between the debtor and the creditors in Scotland. It is an alternative to the bankruptcy and an equivalent to IVA for the Scottish residents. It is also known as Scottish Trust Deed. A Trust Deed can become protected only if 2/3 or more of your creditors (by value) agree to the terms and conditions. A Protected Trust Deed prevents the creditor from taking any further action against the debtor (like, filing for bankruptcy).

Consolidation Loans

Depending on your personal circumstances, you may require to borrow a sum of money to pay off multiple creditors. This type of loan is known as a debt consolidation loan and works on the principle that the repayments on a single, large loan will be lower than the sum currently being paid to repay multiple creditors.

Re-mortgage Packages

A Re-mortgage allows you to release equity on your property, or allows you to borrow a sum of money with a lower rate of interest than a debt consolidation loan so you can repay or reduce your debts. Re-mortgaging property is a serious financial commitment therefore it is advisable to discuss your circumstances with a debt advisor to establish all the options available to you.

Unenforceable Credit Agreements

Credit agreements can be examined to determine whether they must be repaid. If not, there are processes in place to write the debt off. Payment Protection Insurance may also be contestable to not only reduce debt levels, but in some cases to give customers money back.

Full and Final Write Off

If you have a lump sum you may be able to negotiate discounts on amounts outstanding. Potential creditors may accept an amount smaller than the debt owed as a one off payment for a full and final settlement.



Help is at hand.

The industry surrounding debt help and advice has developed in response to the expanding number of debt problems. In an expanding market place there is potential to be fooled by unlicensed/unregulated companies that are exploiting the recession, so how do you know who to trust?

The regulated and licensed companies have been involved in this sector prior to the recent 2008 downfall and their origins can be traced back to their original involvement in one particular sector of the industry.

Good ethical companies will provide you with efficient and an effective service ensuring they have your best interests at heart. Reputable companies will take thorough information from you and make sure you understand your best options and that they are giving you the most appropriate advice for your individual needs.

Some good questions to ask are:

1) What solutions do you offer?

Remember the wider the variety offered, the more likely you are to get the best advice and solution.

2) How do you decide which solution to recommend?

Again, a reputable company will ask you for detailed information to understand your circumstances.

3) At what point will you recommend a solution?

A reputable company will not give you advice until they have taken details from you regarding your income and expenditure to understand your circumstances.

4) What is the process?

A reputable company will talk you through their processes and make sure you understand the options and offer you further information either by leaflets or referring you to their website.

5) Do you charge for advice?

There is no need to pay for advice. Reputable companies will not charge you for advice but there may be fees attached to the products or solutions they offer. Make sure if they do charge fees these are fully explained to you.

The Debt Community will look at all your options. If there is more than one, the advantages and disadvantages will be explained so you make the right decision. We are here as a guide to help you over the transitional period.

Our team are committed to provide excellent customer service. That's why you will be allocated your own point of contact unlike many call centre advice lines.



How can I contact TDC?

We hope the information we have provided has been useful to you. However, if you are still unsure as to what to do next or you would like some further information we are here to listen and help you.

For a no obligation free chat, for further information on any of the debt solution products or to simply discuss your personal circumstances please do not hesitate to contact us on **0800 612 6076** or email us via **info@thedebtcommunity.co.uk**

Some questions you have may be answered on the 'Frequently Asked Questions' section of our website so please take a look - **www.thedebtcommunity/faq's.asp**

Since 2007 TDC & partners have helped and advised thousands of individuals, from all walks of life. We understand you may be a little apprehensive, so why not email us with any questions you may have on info@thedebtcommunity.co.uk

We work closely with government legislation to legally assist you whether you owe £2,000 or £500,000.

We offer the following solutions to help you become debt free:

- Rebuild Programme
- IVA's
- Debt Management
- Consolidation Loans
- Full and Final Write Off
- Remortgage Packages
- Scottish Trust Deed
- Bankruptcy

We believe our unique Rebuild Programme offers you a tailored solution that will reduce what you are currently paying but more importantly its aim is to reduce the real level of your debt, which means you will be debt free a lot sooner. For more information, call us free on **0800 612 6076** or visit **www.thedebtcommunity.co.uk**

Remember we believe that everyone has the right to have a second-chance, we will not judge you or your circumstances, we are here to listen and we will support you as we believe everyone deserves help.

Subject to status. Terms and conditions apply. Please note that some debt solutions may have fees involved. Repaying debt over a longer period may increase the total amount to be repaid. Your ability to obtain credit in the short term will be affected and may be affected in the medium to long term. Third party specialists may be used.

The Debt Community – 44A Lowtown, Pudsey, Leeds LS28 7AA
T: 0113 3188786 E: info@thedebtcommunity.co.uk F: 08444 820 132
Data Protection No: Z9297311 CCL No: 0605863
www.thedebtcommunity.co.uk