

Are you worried about paying your bills? **You're not alone.**

Your guide to getting free
and impartial help with debt



You can access this guide online by visiting www.stepchange.org/scotland

Are you finding it difficult to pay your bills?

Is it a daily struggle to keep up with payments on your household bills, credit card or other loans? Are you living in fear that one day it's going to be too much to handle?

You're not alone. Many thousands of people are experiencing this too. Dealing with things you can't control, plan for, or predict can make it harder to keep afloat. Does any of this seem familiar to you or a friend? Maybe you're reading this because you're looking for a way forward.

Signs of a debt problem:

- › Paying just the minimum owed on debts, or even missing payments
- › Using credit to pay household bills like rent, council tax or utilities
- › Facing **court** action or a change in your wages
- › An event that has resulted in a loss of income or higher spending, for example, being made redundant, illness, divorce, a death in the family or having a baby
- › Overspending
- › Feeling anxious, withdrawn or depressed – reducing time socialising, avoiding friends
- › Hiding issues or avoiding talking about finances with your loved ones
- › Feeling tired or having trouble sleeping

“” My story:



“I’m a StepChange Debt Charity Scotland client. I’ve been in problem debt and I’m going to explain what it was like for me and walk you through this guide. I was just about getting by and keeping up with my payments until the coronavirus pandemic hit, then work dried up and I was furloughed. I was always good at paying things off and shifting stuff around, but when my pay was cut it got really tough to deal with. I managed to get by but then a few months after we were back at work my hours dropped and I had used all my savings.

“I was having trouble sleeping and it was all getting too much. I knew I wouldn’t be able to manage another month.

“Getting debt advice felt like such a big step. I felt like I was a failure and that I would be judged, but I was wrong. As soon as I spoke to a money adviser a weight was lifted right away and I felt like I had a plan to move forward with.”

Where to get help

It's important to understand that the sooner you ask for help from a free, **impartial** money adviser, the more options you'll have and the less stress you'll feel. Remember there's no risk in getting debt advice – and it doesn't affect your credit file. Advice is confidential - no-one else will know. And there's no shame and no blame in finding things tough or asking for help.

Whether you've been struggling for a while or think this may just be a short-term problem, getting advice can help.

It could save you money, reduce your stress levels and help get you back on track.

If you speak a first language other than English, don't be put off from asking for help, as you can arrange for a friend or a member of your family to help you speak with the adviser. Some organisations may be able to arrange for a professional interpreter.

Seek help now

Perhaps you just don't know what to do first and where to go to get help.

Free and impartial advice is where you want to start.

The three main ways people access advice are talking with someone face-to-face, phoning for help, or using an online tool.

StepChange Debt Charity Scotland can be contacted over the phone or online.

Your local Citizens Advice may also be able to help, or your local council or housing association may have an advice service.

Christians Against Poverty offers advice and support in many areas.

Your bank or another lender may advise you to get debt advice.

You don't need a referral to speak to someone about your debts.

Remember to be **digitally safe** when you're looking at advice online.

There are many companies that copy the websites of advice providers so they can steal your personal information.

In other cases, advice and assistance will cost you money.



This guide will help you work out how to get support to deal with your debts. It talks you through what to expect and what to do.

There might be some complex or technical words in this leaflet that you need help with, so we've produced an explanation of these words available on page 22.

How to know you're talking to a safe organisation



Make sure you're on the right website for the organisation or speaking to the right people before you share any personal information.

- ▶ If a company calls, emails or texts you, and you've not contacted them previously, be wary. They may say they're from StepChange Debt Charity Scotland or Citizens Advice. It's safer to hang up the phone or delete the email or text. Use a search engine to find the correct contact details for the organisation they claim to be from
- ▶ If a website or service makes promises which appear too good to be true, such as "wiping 80% of your debts" be cautious. This can often be to tempt you into providing personal details to an **unregulated** firm
- ▶ Some firms may copy the website of a safe debt advice provider, making for example, slight changes to the phone number. Check the address e.g. www.stepchange.org of the website you are visiting is correct and there isn't incorrect information that might mean it's fake
- ▶ If you're searching online for debt advice services be cautious of search results which only appear as adverts, with the "Ad" marker next to them
- ▶ Organisations providing debt advice should be registered and authorised by the Financial Conduct Authority. You can make sure companies are registered here: www.register.fca.org.uk

Should I pay for debt advice?

There are many organisations that will charge you a fee for advice and assistance with your debt.

However, there are many organisations like StepChange Debt Charity Scotland, Citizens Advice or Christians Against Poverty or advice services in your local council who will help you for free.

What could happen if I can't pay?

Your **creditors** are the companies and people that you owe money to, such as banks, shops, catalogue companies, councils, debt collectors or family and friends. Most creditors will normally send you several warning letters, emails, or texts before they start taking any formal action to get back the money that you owe.

Whether your creditors have started chasing you or not, the earlier that you seek advice the better. You could avoid more stress and worry, and you may also have more options for dealing with your bills.

If you have stopped paying your creditors or missed a payment they will normally pass information about your missed payments to a **credit reference agency**. This can affect your credit rating and can limit your ability to get credit in the future.

Your creditors are likely to be reasonable, and they have to treat you fairly. If you're speaking with a money adviser, they might be able to contact your creditors and let them know that you're getting advice about the best way to deal with the situation. It might have been that your creditor asked you to contact a money adviser in the first place.

Your creditors may be willing to accept a different debt solution, especially if it's been recommended by an adviser. You can read more about the different debt solutions in the following pages, but first you should work out what you owe and what you've got coming in. Doing an online debt advice session or talking to an adviser will help you work out what to do next.

Creditors can do several things to recover their money.

Some creditors can pass or sell the debt on to a debt collector who'll contact you to get the money back. Remember that a debt collector has no more power than the original creditor.

They can take you to court. You'll normally get court forms sent to you, and if you agree you owe the debt, you can ask the court for time to pay it back. If you don't think you owe all or part of the debt, you can go to court to explain that.

If the court decides that you owe the debt, then the creditor can act against you. They can use a **sheriff officer** to contact you or look to take money directly from

your wages or bank account, or the court can prevent you from selling your property. However, before any action can start, you'll normally be told about what is going to happen before which gives you a set time to pay the debt or suggest a **payment plan**. It's important that you get advice as soon as possible if this has happened.

Mortgage providers or landlords can look to **evict** you if you're behind on your payments. You can't be evicted from your home without an order from the court. Most landlords and mortgage providers will work with you to agree the terms of your repayment before going to the court to evict.

“” My story:



“I was incredibly nervous about picking up the phone and talking about this – I just didn't know where to start. I felt a lot of shame and embarrassment that I'd let things get so difficult. But as soon as I spoke to the money adviser I felt reassured. They were calm, professional and told me that speaking to someone rather than worrying alone was exactly the right thing to do.”

What should I expect when I contact an adviser?

You may be feeling anxious about getting debt advice, especially if you don't know what to expect. You're not alone, and it's never too early or too late to seek help. Acknowledging your debt problems and taking action will make you feel better.

“” My story:



“It wasn't my fault that my income had dropped so much, but I just kept blaming myself for not planning ahead. My money adviser helped me understand that lots of people would have found themselves in difficulty if they'd suddenly lost a chunk of income. It wasn't about shame.”

Remember that you won't be judged, embarrassed, or made to feel like you've done something wrong. The process should be similar no matter where you go for help.

It's a good idea to gather information about your finances before you seek advice and have them to hand:

- › Details of your income - payslips, pension statement and any benefit letters
- › Details of your house bills and living costs - what you spend on things like housing and food, travel and living expenses
- › Your latest bank statement and copies of any loan or credit agreements
- › Details of all your debts, including how much you owe, latest letters and anything you're paying towards current debts

If you're unsure who you owe money to, a copy of your **credit report** may help. You can access a credit report through TransUnion, Equifax or Experian, and many of these credit reference agencies offer a free one-month trial where you can access your credit file online

- › A copy of any court papers

During debt advice, this information will be used to help you work out your monthly budget. A money adviser or the online service you're using will also be able to provide practical advice and support with any **court enforcement action** that you're facing. It's important to be open and honest to help the adviser understand your situation and tailor the advice to your needs. Any information you provide will be treated confidentially and it will only be used to identify the right debt solution for you.

Making a budget

A budget is a list of all the income you receive and all the things you spend money on every month. A money adviser will help you to make a budget.

Making a budget is the first step towards taking control of your finances and getting your situation back on track. Budgeting helps you see where your money's going, so it's easier to make sure you can afford all the things you need to pay for. Making a budget is a great way to spot areas where you can possibly make savings, and it can also put you in a much better position to deal with unexpected payments.

Step 1: Work out your total income

Your money adviser, or an online debt advice tool, will add together all the income you get each month, making sure to include everything including wages, benefits or pensions. Any other money you regularly receive, such as rent from your partner or dependants should also be included.

Your money adviser can advise you on all the benefits you're entitled to.

Step 2: Make a list of everything you spend each month

You'll then be asked to list your most important bills such as your mortgage, loans, rent, council tax, household bills like gas and electricity and any **hire purchase** or **personal contract purchase agreements** (normally used for car purchases).

These are important because the consequences of not paying them are greater for these than for other sorts of spending. These are your **priority debts**. For example, if you don't pay your rent or your mortgage you could lose your home. You must always pay these before your other debts. If you've already fallen behind with payments to these priority bills and action is being taken to recover the money owed, your advice will take this into account.

Next, you'll look at what you usually spend on living costs such as food, clothing and toiletries, travel, phone and the internet. Shopping receipts can help you work out what you spend on these each month.

If you're not sure what you're spending your money on, try writing down everything you buy over a month. This will give you a clearer idea of your regular spending.

A money adviser, or online tool on a website, will look to maximise your income and may make recommendations on areas where you could make savings. If you've had a recent change in circumstances, it'll be worth checking if you can apply for any benefits that you are entitled to. A new agency, Social Security Scotland, has been created to deliver other benefits in Scotland.

Step 3: Take away the total amount you spend each month from your monthly income

If you've got any money left over after you've paid for everything, you have a **budget surplus**. If you're spending more money than you've got coming in, you have a **budget deficit**.

Once you've agreed a budget and you can pay your priority bills and living costs, your money adviser will look at what options are available to manage your **unsecured debts**. When a debt is unsecured, it means that you didn't 'secure' it against something you bought when you took it out, such as your house or car.

Your unsecured debts include personal loans, credit cards, overdrafts, store cards, catalogue debts, or cancelled contracts, such as old mobile phone debts.

These debts are classed as **non-priority** because the consequences of not paying these are less severe than not paying your priority debts.

Once you know how much income you have left over, you can then think about how to deal with your non-priority debts. If you can't keep up with the minimum payments to these non-priority debts, you may have to look at applying for a debt solution to help you do this. Your money adviser, or the online advice tool will lay out your options in detail and explain what the next steps are and how you'll be supported as you take back control of your finances.

“” My story:



“Of course, I'd tried to stick to a budget before, and I told my money adviser I was worried about having enough to spend on food and other essentials.

“They told me that the most important thing was that the budget covered all my household bills and allowed for things, like getting a haircut every so often and getting some gifts for my family.

“I was relieved that I could deal with my debt and have enough set aside to cover expenses. I should never have to skip meals again to make payments.”

Budget planner - income

As most of your household bills and debt payments are made monthly, you should change all the figures in your budget to monthly amounts.

Add together all the income you get each month. Make sure you include everything, whether its wages, benefits or pensions. If some of your income is paid weekly or four-weekly, you'll need to turn these figures into calendar monthly ones.

To do this you need to multiply the weekly figure by 52 and then divide this by 12. This will then give you a calendar monthly figure to include in your budget.

Income: what money do you receive?*		
<i>If your income changes, enter an average amount</i>	Payment amount £	How often? e.g. weekly, monthly
Earnings		
Wages		
Other earnings		
Pensions		
State pension		
Private / work pension		
Pension Credit		
Other pension		

*Please note, not all of these items may apply to you.

Benefits and tax credits		
	Payment amount £	How often? e.g. weekly, monthly
Child Benefit		
Child Tax Credit		
Working Tax Credit		
Universal Credit		
Local Housing Allowance / Housing Benefit		
Employment and Support Allowance		
Income Support		
Disability allowance (DLA / PIP)		
Child disability payment (DLA / PIP)		
Jobseeker's Allowance (contribution-based)		
Jobseeker's Allowance (income-based)		
Statutory Sick Pay		
Carer's Allowance		
Other benefit		
Other income		
Board or lodging		
Non-dependant contribution		
Child support / maintenance		
Student loans		
Student grant / bursary		
Other income		
TOTAL INCOME		

Budget planner - spending

Use this budget sheet to work out how much you're spending.

Expenditure: what money do you spend?*		
<i>If your spending changes, enter an average amount</i>	Payment amount £	How often? e.g. weekly, monthly, annually
Housing		
Rent		
Mortgage		
Secured loan / second mortgage		
Mortgage endowment premium		
Service charges / factor fees		
Building and contents insurance		
Council tax (includes water and sewage)		
Gas		
Electricity		
Other household fuel costs		
TV Licence		
Childcare costs		
Adult care costs		
Hire purchase		
Personal contract purchase		
Court fines		
Child maintenance / support		
Phone costs		
Home phone		
Mobile phone(s)		

*Please note, not all of these items may apply to you.

Household costs		
	Payment amount £	How often? e.g. weekly, monthly, annually
Groceries (e.g. food and milk)		
Toiletries		
Laundry and dry cleaning		
Other food and housekeeping		
Nappies and baby items		
Pet food		
Clothing and footwear		
Alcohol		
Smoking products		
School uniform		
Newspapers and magazines		
Cleaner		
Transport / travel costs		
Public transport		
Taxi		
Fuel (petrol, diesel, oil etc.)		
Car Insurance		
Parking charges		
Toll charges		
Road tax		
Breakdown insurance		
MOT and maintenance costs		
Other transport and travel		

Other expenses		
	Payment amount £	How often? e.g. weekly, monthly, annually
Meals at work		
School meals		
Dentists or Opticians		
Hairdressing		
Satellite TV		
Internet		
Hobbies, leisure or sport		
Education fees		
School clubs		
Pocket money		
Household repairs and maintenance		
Window cleaner		
Gardening		
Medical / Accident insurance		
Vet bills and pet insurance		
Charitable donations		
Religious gifts		
Birthday gifts		
TOTAL EXPENDITURE		

Summary		
Total Income		
Total Expenditure		
Surplus (deficit)		



Subtract the expenditure from your income and that will give you your budget. See page nine for more information.

What will a money adviser recommend?

Everyone's circumstances are different, and everyone needs to find the right way to deal with their individual debts. At the end of your debt advice session you'll be offered recommendations based on your situation and you'll often have different options to choose from. As well giving you information on how to apply for a debt solution, if one is recommended to you, you'll get practical tips on managing your budget and dealing with your creditors.

To go ahead with a debt solution, there will be an application process to complete – your money adviser will explain how they'll support you through this.

Debt solutions broadly fit into three categories:

- 1 Repaying debts
- 2 Full or partial write-off of the debts
- 3 Temporary options, short term, until your circumstances change

There are informal and formal debt solutions available that can help you. Different debt advice providers have different processes in place to support you. The following pages provide you with information about what StepChange Debt Charity Scotland offers. Whichever solution you choose, the debt advice organisation should support you and help you through the process.

Credit files can be impacted by different debt solutions and your money adviser can clarify what that might mean for you.

If you think any of your creditors are looking to recover their debt through the courts, you can apply for a period of **moratorium** from court action. This will give you protection whilst you get advice and support with your debts.

During this time, your creditors cannot take most types of action against you to recover the debts.

1: Debt solutions – Paying your debts back

The Debt Arrangement Scheme (DAS) helps you to pay your debts in full over a period that's manageable for you. You make affordable monthly payments based on your budget after all your living costs have been paid, which is shared between your creditors. You're normally protected from court enforcement action, and interest and charges on your debts are frozen while you are making your payments.

There are no minimum or maximum amounts of debt that a person can have when they apply for a Debt Payment Programme (DPP) as part of a DAS.

You apply for a DPP with the help of an approved money adviser or **insolvency practitioner**. They'll check if you are eligible, make the application for you and support you throughout the process. Once your DPP is agreed your details will be put onto the DAS register. This is an online register that anyone can access. Plus, your DPP will be recorded on your credit file for six years.

You may be able to keep some of the money you have to pay your debts each month, and your agreed payments can be adjusted if your situation changes.

A DPP will not affect the things that you own such as your home or car. There are no fees paid by you as all costs are paid by your creditors.

There are several important protections in DAS if you're struggling to make your payments. You can contact your money

adviser who can help and advise you on the best way forward. That might be varying the amount you pay for a period of time or agreeing to stop payments for up to six months. In an emergency you can arrange to miss two payments over a year, but you should speak to your money adviser before you do this.

StepChange Debt Charity Scotland has a team of approved money advisers in our Glasgow office. We'll support you through the application process, check your eligibility, contact your creditors, and complete your application form. We work closely with hundreds of creditors across the UK. We have dedicated teams of advisers to support you through the DPP application process and during the lifetime of the DPP. If your circumstances change, we're here to help at every stage.

We are also a DAS payments distributor. This means we'll set up your Direct Debits, process your monthly payments and make payments to your creditors. We also provide help and advice throughout your time with us. We'll review your situation to see how you are getting on, applying to change your payments, or arranging for payment breaks when you need them most.

A debt management plan (DMP)

allows you to pay your debts in full over a period that's manageable for you. A DMP is usually arranged on your behalf by another organisation, for example a debt management company or debt charity, such as StepChange Debt Charity Scotland. You make affordable monthly payments which are shared between the creditors of your non-priority debts.

There is no minimum or maximum amount of debt that you must have when you apply for a DMP. There are usually no fees, as costs of a DMP are paid by your creditors. However, some providers will charge a setting-up fee or a monthly fee.

Although a DMP is flexible and can be adapted to suit your situation if your income or expenses change, there are fewer protections than with DAS. Interest and charges are not always frozen, although most creditors will look to help. Your creditors could still take further action, for example passing your debt to a **collection agency** or starting court action.

Reduced payments may lead to a longer arrangement term and could have a negative impact on your credit file.

StepChange Debt Charity Scotland provide DMPs for our clients free of charge. We work closely with hundreds of creditors across the UK. We have dedicated teams of advisers to support you through the DMP application process and during the lifetime of the DMP. If your circumstances change, we're here to help at every stage.

Residential Mortgage or Equity Release.

If you are a homeowner, one possible solution may be to free **equity** from your home through either a Residential Mortgage or Equity Release plan.

Using your home's equity as money to repay any outstanding mortgage or unsecured debt, or re-mortgaging your home to reduce your mortgage payments, can help get your debt under control. However, these options may increase the cost of your debt over the long term and could have implications for how many benefits you can claim or the value of any inheritance you leave.

Your home may be **repossessed** if you do not keep up repayments on your mortgage, so you should think carefully before securing any other debts against your home.

StepChange Financial Solutions* has expert advisers who can provide you with the information you need on these options and can provide you with a recommendation if a Residential Mortgage or Equity Release plan is the right solution.

2: Debt solutions – where part or all of your debt is written off

Bankruptcy could be an option if you have debts but have no means of paying them back. You can apply to make yourself bankrupt through a money adviser or an insolvency practitioner. Your creditors can also make you bankrupt by applying to the court, although they would normally look at other methods of getting their money back first.

Bankruptcy is a serious option and can have important consequences such as having an impact on some jobs, or leading to dismissal. You should always check your **terms of employment** before considering this option. Your bank may close or freeze your accounts when you become bankrupt. This means that you will probably have to open an account with a different provider, and you may only be able to get a basic bank account until your bankruptcy ends. Some private landlords may evict tenants or refuse to review tenancy agreements when their tenants become bankrupt.

Minimal asset process (MAP) You could apply for MAP bankruptcy if you don't own **assets** like a house and your total debt adds up to at least £1,500 but totals less than £25,000.

Your income must be from benefits only, or your budget must show that you have no money available to pay towards your debts. There are certain conditions that must be met before MAP bankruptcy can be awarded, including:

- › You can't own your home, any land or buildings
- › Your total assets cannot be worth more than £2,000
- › No single asset that you own can be worth more than £1,000, although if you own a car worth no more than £3,000 that is agreed that you need, it will not be counted

A MAP bankruptcy will be registered on a **public register**, but it gives you a fresh start, writing off most of your debts. You'll normally come to the end of the process (or be discharged) six months after the award is made, but your credit file will be impacted for much longer.

You may have to pay a small upfront fee of £50 (free if you get certain benefits) to the Accountant in Bankruptcy who oversees and administers all the bankruptcies in Scotland.

StepChange Debt Charity Scotland have a dedicated team of trained money advisers based in Glasgow who will support you free of charge to apply for your MAP bankruptcy. They'll check that you're eligible, complete the application form and support you through the whole process.

Full administration bankruptcy If you don't meet the criteria to apply for a MAP bankruptcy and you don't have the means to pay back your debts, you could still apply to become bankrupt. You must owe at least £3,000. There is no maximum amount.

You'll have to pay an upfront fee of £150 (although it's free if you get certain benefits) to the Accountant in Bankruptcy (AiB) who oversees and administers all the bankruptcies in Scotland.

If you own assets, they may be sold to pay towards your debts. This could include your home. If you own a car worth no more than £3,000 that you reasonably need, such as to get to work, it will normally not be sold.

If your income is from benefits only, you won't have to pay a monthly contribution towards the cost of your bankruptcy or your debts. If your budget shows that you can contribute after all your household costs are paid, you'll have to pay that to your trustee (the person who oversees the administration of your bankruptcy) for four years.

The AiB makes decisions on all applications and registers all bankruptcy awards on a public register. They are the trustee in most bankruptcy awards. You'll normally be discharged one year after the award is made, but your credit file will be impacted for much longer. At the end of the bankruptcy, most of the outstanding debt is written off.

StepChange Debt Charity Scotland have a dedicated team of trained money advisers based in Glasgow who will support you free of charge to apply for your MAP or full administration bankruptcy.

Trust deed If you can pay something towards your debts but can't pay back all what you owe, a trust deed could be a good solution. You can only apply for a trust deed with the help of an insolvency practitioner (known as a trustee). You cannot apply for a trust deed if your income is from benefits only.

It's an agreement between you and your creditors to pay part of what you owe, and the remaining debt is normally written off.

Instead of making payments directly to your creditors, you'll make a payment to the trustee managing your trust deed. Your creditors will be asked whether they accept the offer you're making and if they agree, your trust deed will be protected. This means that interest and charges will be frozen, and none of your creditors will be able to take court enforcement action against you while you're meeting the terms of the trust deed.

Protected trust deeds last for a minimum of four years, and you must owe at least £5,000. Your trustee will collect affordable payments from you, based on your budget, either every month or in lump sums. You may have to sell any non-essential assets you own, including any equity in your home.

You're unlikely to have to pay an upfront fee for setting up a trust deed. The trust deed will be recorded on a public register and your credit rating will be impacted for six years.

The trustee's fees and costs are paid from the money they collect during the trust deed. If your situation changes you can contact your trustee to look at what you can do to amend your payments. However, if your trust deed fails there is a risk that you could be made bankrupt.

StepChange Debt Charity Scotland works closely with a selected panel of insolvency practitioners. Our money advisers will check you're eligible for a trust deed and will refer you to our panel and support you throughout the process.

Full and final settlement You can use full and final settlement offers where you have a lump sum of money available. You can ask your creditors directly or through a third-party provider, such as StepChange Debt Charity Scotland, to accept a part-payment towards the debt and have the balance written off. Creditors will sometimes accept payments over several months too.

There is normally no fee for this.

StepChange Debt Charity Scotland's advisers work closely with creditors across the UK who can help you with any settlement offers, completely free of charge.

3: Solutions – Temporary options

Sometimes it's necessary to put a temporary solution in place until your circumstances change, for example while you're on maternity leave, looking for a job or recovering from an illness.

This could include asking your creditors to stop collecting payments for a period of time or asking them to accept a small token payment until your circumstances change. You can contact your creditors directly to ask for this at any time. Many creditors will allow this, especially if you've received

debt advice. They will normally ask to see a budget that shows you can't make full payments at the moment.

This approach doesn't address your debt, but it can give you time to deal with other priorities.

StepChange Debt Charity Scotland can advise you on a range of temporary options that could be helpful to you.

Whatever your situation, help is available. Don't delay, talk to a free money adviser today.

“” My story:



“When I looked online I'd always been a bit daunted by the number of different debt solutions available. I was worried I'd end up paying even more. But my money adviser talked through the best options for me.

“We built a budget and I realised I could repay my debts in five years based on my new work hours. I went on to a Debt Arrangement Scheme that has extra protections to help if things go wrong.

“Getting advice has made me more confident in managing my money. Asking for help is one of the best things I've ever done. I got the first proper night's sleep in months after I'd spoken to someone.”

List of key terms

This list gives you simple explanations of words and terms used in this booklet.

Word	Explanation
Assets	Valuable objects belonging to you
Authorised	Given permission
Budget deficit	When you spend more than you earn
Budget surplus	When your income is more than your expenditure
Collection agency	An organisation that specialises in collecting debts that are unpaid
Court	A person or people with authority to hear and resolve legal problems
Court enforcement action	Actions taken by sheriff officers following a decision by the court that a debt is owed
Credit reference agency	These agencies collect and store the information that is used to decide your credit score
Credit report	A summary of your borrowing and spending. The summary will be added up to create an overall 'credit score'
Creditors	People or organisations that you owe money to
Equity	The difference in the current value removing any loans or debts still to be paid
Evict	To remove someone from a property with support of the law
Hire purchase	An arrangement where a customer agrees to buy something by making one payment and then paying the rest of the balance off plus interest over a period of time
Impartial	Free from favouring one person or issue over another person or issue
Insolvency practitioner	Someone who can act on behalf of companies and individuals when they are facing 'insolvency' or acute financial distress
Moratorium	A period of time during which an activity is not allowed or required
Non-priority debts	Classed as non-priority as the consequences if not paying these are less severe than paying your priority debts
Payment plan	An arrangement made to pay a debt over a reasonable period
Personal contract purchase agreements	An agreement that allows you to hire a car or other object for a period of time
Priority debts	Debts that can cause you particularly serious problems if you don't do anything about them
Public register	A published list of information available to the general public
Repossessed	To take back ownership
Sheriff officer	Sheriff officers are people who deliver or serve court papers and enforce court orders in Scotland
Terms of employment	A written document summarising information about your employment at work such as your pay or contract length
Unregulated	Not controlled or managed by regulations or laws
Unsecured debts	Debt that is not secured against something you bought when you took it out, like a house or car

Contact us

We've been supporting people with their money worries for over 25 years. Our advice team, based in Glasgow city centre, supports all our clients in Scotland.

We work with over a hundred partner organisations, so we can refer you for other sources of help while we help you get your finances back on track.

Our services are impartial and free. We help thousands of Scots each year, and together we can help you recover and become debt-free.

From the first time you speak to us or go on our website, we'll help you find the right way forward for you, and we'll support you throughout your journey.



Call us: **0800 138 1111**



Visit: **stepchange.org**

Did you find this leaflet useful? We'd love to hear your feedback. Email **scotland@stepchange.org** to let us know what you think.

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*StepChange Financial Solutions is a registered trading name of Consumer Credit Counselling Service (Equity Release) Ltd. Authorised and regulated by the Financial Conduct Authority.

Other organisations that can help



Citizens Advice Scotland (CAS)
www.cas.org.uk



Macmillan
www.macmillan.org.uk



Christians Against Poverty (CAP)
www.capscotland.org



Shelter
www.scotland.shelter.org.uk



This guide is also available in other languages and formats. Please visit **www.stepchange.org/scotland** to order or download an online version.

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