

### **I'm Making Reduced Payments, What should I do now?**

During the collection process, it is normal for accounts to be passed on to different agencies. There is no need to panic when this happens. It is never too late to contact the agency and make an offer of payment that you can afford. Again, be realistic with your budget. It is important to send the payments regularly as promised. Smaller regular payments are more effective than offers of larger payments, which cannot be sustained. If your offer is refused send it anyway, it is unlikely to be sent back. From time to time creditors will ask you to increase payments. Only do so when you have looked carefully at your budget and you are sure you will be able to keep them up. **Do not let threats of court action pressure you into making an offer you cannot maintain.**

Many people struggle with debt and are making regular, reduced payments to creditors. It can be an intimidating and frightening time, but it is worth the effort of keeping going. Don't be afraid to ask for help. These are the points raised most often ...

#### **"They've passed my account to a Debt Collection Agency"**

Many creditors do not wish to collect reduced payments and often pass accounts to a Debt Collection Agency (DCA). The first letter you will receive from a DCA will be strongly worded and may contain threats of court action. Don't panic. Make the DCA a monthly offer of payment that you can afford and send them a copy of your budget sheet. Start and continue sending the payments to the DCA.

#### **"They're threatening to send a collector to my house"**

Few debts are collected by door to door agents as it is expensive for the creditor. If a collector does call, make an offer of payment you can afford and give the agent a copy of your budget sheet. Smaller regular payments are more effective than larger ones you cannot sustain. If the agent demands a higher payment than you can afford be firm about the offer you have made. Ask the DCA to accept payments by book or post if this would be better for you than paying at the door. They have no legal right of entry to your house and cannot remove goods.

#### **"They want the full balance in seven days"**

Demands for full settlement are very common. If you do not have the money then you cannot meet this demand. Make a monthly offer of payment to the creditor that you can afford and send them a copy of your budget sheet. Start and continue sending the payments.

#### **"I've received a default notice"**

If a creditor intends to transfer an account to a collection agency or issue a County Court Claim Form then a Default Notice will probably be sent to you first. If you have not already done so make an offer of payment you can afford, within the time limit specified on the Notice.

#### **"I've received a solicitor's letter"**

Accounts are often passed to solicitors if court action is to be taken. It is not too late to make an offer of payment to the solicitor. Send them a copy of your budget sheet. (For more information on County Court Procedures see *Information Sheet; County Court Procedures*).