

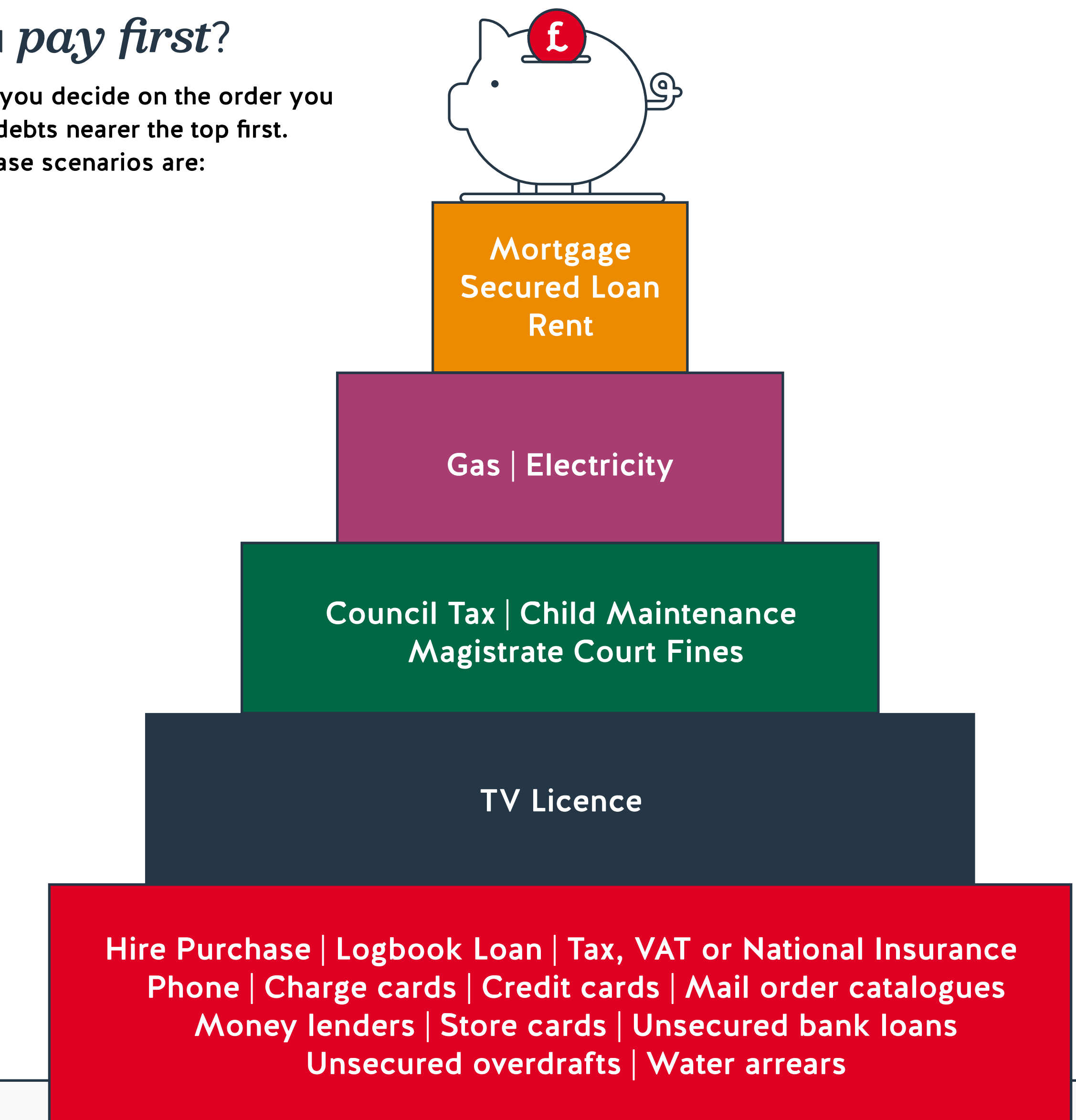
Prioritising your debt

Your guide to debt management

What should you *pay first*?

The pyramid below can help you decide on the order you deal with your debts in. Pay debts nearer the top first. If you don't pay, the worst-case scenarios are:

- You could lose your home
- Services to your home could be cut off
- You could possibly be sent to prison
- You could be prosecuted and fined
- Bailiffs can visit, and you could get a court order or CCJ – if you still don't pay you could lose your home



Making a plan to *pay your debts*

1. Make a *budget*

Work out how much you have left after you've paid all your outgoings (if anything).

2. Work out *how much* to offer

Base it on the size of your debt with each creditor. The more you owe, the more you should pay.

3. Deal with *priority debts* first

Explain why you're in debt, tell them how much you can afford and send them a copy of your budget.

4. Make payments *straight away*

Do this before creditors have said whether they'll accept your offer – it can often help it be accepted.

5. For *non-priority debts*, ask for time

Make lower monthly repayments if you're struggling – remember this can damage your credit score.

