

# 10 practical steps you can take to help with your debt problems

Every person's circumstances are different, but these 10 steps will help most people with debt problems.

- 1. Be honest with yourself and acknowledge the problem.**  
Don't ignore post from people you owe money to. If possible, explain your situation to someone who can give you emotional support whilst you deal with the problem
- 2. Contact your lenders.**  
Let your building society / bank know if you think you might be getting into financial difficulties. Discuss the matter with them and ask how they can help.
- 3. Draw up a budget.**  
Prepare a statement of your financial position, showing your income, your expenditure, how much you owe, and who you owe it to.
- 4. Prioritise your financial commitments.**  
Pay your priority debts first, for example, your mortgage or rent, bills for water, electricity, and gas, child support and maintenance payments, council tax, income tax, and vat.
- 5. Minimise your expenditure.**  
Cut out non-essential spending. Monitor your bank and credit card balances and payments to ensure you do not incur unnecessary bank charges for late payments, items returned unpaid, or for exceeding your credit limits.
- 6. Maximise your income.**  
In addition to employment opportunities, claim any benefits or tax relief that you may be eligible for.
- 7. Make a payment offer to your lenders.**  
After paying your priority debts, review your budget to see what you can afford to pay towards your debts, and make an offer to your lenders towards clearing your debts.
- 8. Stick to the deal.**  
If you make an offer of payment, your lender will expect you to stick to the deal. Only make offers that you can realistically expect to pay. If your circumstances change and you cannot maintain payments, tell your lender of the change.
- 9. Consider other options.**  
If the previous steps do not offer a solution, then you probably need expert help. Contact a free money advice service and ask to speak to a specialist money adviser who should be able to help you.
- 10. Do not borrow or increase your debts.**  
You should only re-schedule, consolidate, or transfer debts with the guidance of a specialist money adviser