

Dealing with Debt

I'm behind on my energy bills, credit cards and rent and my phone is ringing constantly with people demanding money. The stress is getting me down and I don't know how I'm going to pay what I owe. What can I do?

The most important thing is not to panic. Remember that this is a common problem and help is freely available from Citizens Advice.

Dealing with debt is daunting and at times seems insurmountable, but it is better in the long run to tackle your debts rather than taking out more loans.

You first need to get a clear idea of who you owe money to: make a list of your creditors then work out which debts you should prioritise.

The most important debts are those that would have the most serious consequences if you didn't pay them. You should look to get rent and energy bills sorted first so your home isn't at risk and so that your water and electricity keep running.

Once you know your priorities, you should try to get a clear idea of how much money you have spare. Make a list of all your income and spending.

Go through your spending line by line and think about any savings that you could make: can you cut any spending, or switch your energy supplier? Can you walk to work and not take transport?

Next, give your debtors a call. Stay calm and be honest with them: tell them how much you have available and see if you can agree a repayment plan with them.

If you can't see any spare cash and do not have anything you can sell to make ends meet, then it is much better to seek help first than to take out a loan. Loans can sometimes end up getting you more into debt rather than helping you.

You should remember that Citizens Advice can help you at any stage, and more advice is available here:

http://www.adviceguide.org.uk/england/debt_e/faq_index_debt/faq_debt_debts_getting_out_of_control.htm

Your nearest CAB is in the Market Square, Thame

Adviceline: 08444 111 444 or 03 00 33 00 650 (Mobile)