

# Dealing with debt



## Introduction

More and more people in the UK are experiencing financial difficulties. The increase of low-wage jobs, zero-hour contracts, problems with Universal Credit roll-out, issues arising from benefits and tax credits as well as the complications of being self-employed or running a small business, and more recently the impact of Covid-19, are just some of the contributory factors. Many people are living on a financial cliff-edge and it only needs a minor change in their circumstances to tip them over it: job loss, relationship breakdown, long-term illness or an accident can all result in a change of income. In no time at all financial security can spiral out of control.

Coping with mental health problems can often be made worse because of financial difficulties, as a result of letters, calls and door visits from enforcement agents or bailiffs.

It can be hard to know where to turn for help when you have financial difficulties, and some of the solutions available can result in more problems! The most important thing is to realise and accept that you need help from someone. You will find that specialist advisors will be able to offer you various routes to financial independence.

The transfer from custody to the world outside prison can mean a rapid exposure to financial problems. The good news is that there are a number of excellent free services available that offer support, help and advice. In addition to financial services some also offer further support, such as free budgeting courses to help you manage your finances more effectively, a food bank, gas or electric top-ups, emergency money or emotional support. Further information can be found in the *Emergency* section of this Directory.

Like death, debt is often a taboo subject, meaning people suffering its effects often struggle to talk about it. This causes the financial situation to worsen and so the suffering increases. It doesn't have to be that way. The following pages have further information and details about organisations that are there to help, support and advise you.

Whatever you do, don't suffer in silence. Getting help can provide you with a long-term route to financial security.

## Resources

Before making a phone call or attending an appointment it will be useful to have some details to hand. The figures you provide are used by advisors and creditors to help ensure that any repayment agreement is affordable. If you visit [www.hardmantrust.org.uk/wp-content/uploads/2019/03/Financial-Statement.xlsx](http://www.hardmantrust.org.uk/wp-content/uploads/2019/03/Financial-Statement.xlsx) you can download an example of a financial statement, with auto-calculating monthly figures! Even if you don't have debts this form can be a helpful way to look at your monthly budget and make plans accordingly.

You may also find it beneficial to have completed a Debt and Mental Health Evidence Form (DMHEF), if you have mental health problems and are suffering due to your financial circumstances. This form was created by debt and health professionals to help ensure debtors are dealt with sensitively by their creditors. The form will need to be completed by a medical or social-care professional. More information on DMHEF can be found here: [www.moneyadvicetrust.org/advice-services/dmhef](http://www.moneyadvicetrust.org/advice-services/dmhef)

A good starting place, for where to go and the options available, is the MoneyHelper Service's website: [www.moneyhelper.org.uk/en/money-troubles/dealing-with-debt](http://www.moneyhelper.org.uk/en/money-troubles/dealing-with-debt) They will be able to direct you to suitable organisations that can help or you can use the online information to manage your money problems.

Many prisons provide some form of financial capability training which may be incorporated into life skills courses. It may be worth asking your personal officer if they can speak to your prison's Learning and Skills Manager and then tell you how you can access any financial capability training on offer at your establishment.

If in the months following release you have built up gas, electric or water debts from your utility provider(s) or are struggling to pay your energy bills you may be able to take advantage of certain benefits, grants and help offered from the government or the utility provider themselves. For more information, see the *Emergency* section of this Directory.



**Organisation** Christians Against Poverty

**Website** [www.capuk.org](http://www.capuk.org)

**Who can apply** The service is available free of charge to everyone regardless of faith (or none), gender, race, age, sexual orientation, etc.

**How the scheme can assist you**

CAP's support is holistic. Debt is often symptomatic of other issues and as a result many people struggle simply to deal with life.

When you contact CAP, an appointment is booked which will take place in your home.

The CAP debt coach arrives with a volunteer support worker and, before long, a budget is in place as well as a plan to get out of debt (CAP does not pay the debts).

The team supports you every step of the way through to debt freedom. There is always a solution.

Debt can be very isolating but through CAP's service, clients feel supported, empowered and valued – but never judged. CAP also offers budgeting courses (CAP Money), support for those with life-limiting dependencies (Fresh Start) as well as help back into employment (CAP Job Clubs).

**How to apply** You can contact us through our Debt helpline: 0800 328 0006

**Notes** CAP are authorised by the Financial Conduct Authority (FCA) and provide a fully professional debt help service.

**Apply to** **Debt helpline: 0800 328 0006 or see our website: [www.capuk.org](http://www.capuk.org)**



*I walked away from a difficult marriage and ended up with nothing. I was in debt and felt ashamed to admit I needed help. I went to Citizen's Advice who told me about CAP. It took me a while but when I eventually contacted CAP, I was treated like a person and they didn't judge me. The help they gave was amazing! I received help from the food bank and also did my CAP Money course. I am now debt free, I have a new job and life is good!"*



Organisation

**Debt Advice Foundation**

Website

[www.debtadvicefoundation.org](http://www.debtadvicefoundation.org)

*How the scheme can assist you*

Debt Advice Foundation is a registered national debt advice and education charity offering free, confidential support and advice to anyone worried about debt. We do this through our free telephone counselling service and through free, downloadable, money management tools available on our website. Because we are a charity, you can be sure that the advice we provide is impartial and based solely on what is best for you. If you have a debt problem, Debt Advice Foundation can help you understand which options are available to you and will recommend the debt solution that is right for your situation.

Our aim is to help you regain control of your finances by:

- reducing monthly repayments to a realistic and affordable level
- stopping creditors taking enforcement action against you
- protecting important assets such as your home

If you are struggling to keep up with credit card or loan repayments or you are facing legal action from lenders as a result of payment arrears, our debt helpline advisors are standing by waiting to help. We advise on the full range of debt solutions available across the UK.

More than 10,000 people, with debts in excess of £53m, contact our debt counselling service each year for advice. A typical call with an advisor will last about half an hour. The advisor will ask you for details about your monthly income, your essential outgoings and your monthly credit commitments. Once they have all the information they need, they will recommend the most appropriate course of action for your situation.

If you're worried about debt and would like to talk to an advisor in confidence, you can call our helpline for free, see details below. If you are calling the helpline using a mobile phone, please let the Advisor know and they will call you straight back so you don't get charged for the call. If you visit our website you can request a call back from an advisor and also download a pre-call checklist, to help you have the information you need, to hand, during the call.

Please remember that no matter how much money you owe or how serious you believe your financial situation is, there is a solution to every debt problem. You can also visit our website for more information.

*Apply to*

**Call us free on 0800 043 40 50**

Monday to Friday, 8am to 8pm; Saturday, 9am to 5pm

# Money Helper

Organisation

**MoneyHelper**

Website

[www.moneyhelper.org.uk](http://www.moneyhelper.org.uk)

*How the scheme  
can assist you*

MoneyHelper was set up by the government to provide free and impartial money guidance. You can find lots of information on our website or if you prefer you can chat with an advisor online or on the phone.

Our service is confidential and we can help with a broad range of money issues, such as:

- advice on benefits, everyday money and pensions
- tools and calculators, to keep track of finances and plan ahead
- support over the phone and online

*Apply to*

**Call us on 0800 138 7777 Monday to Friday, 8am to 6pm**

Webchat is available Monday to Friday, 8am to 6pm;  
Saturday, 8am to 3pm.

No services are available on Sunday or Bank Holidays.



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**Organisation**

**The Salvation Army Debt Advice Service**

**Website**

[www.salvationarmy.org.uk/budgeting-debt-advice](http://www.salvationarmy.org.uk/budgeting-debt-advice)

**Who can apply**

Anyone experiencing debt or financial hardship.

**How the scheme can assist you**

Our 13 debt advice centres\* support people through managed repayment plans.

To find out more, contact your local Salvation Army Centre.

**How to apply**

Contact your local Salvation Army centre or for more information look at our website.

You can self-refer or be referred by a third-party.

**Notes**

\*13 debt advice centres – Luton, Dunstable, Bedford, Peterborough, Birmingham, Bolton South, Plymouth, Edinburgh Gorgie, Falkirk, Edinburgh City, Perth, Edinburgh Granton, Dunbar.

**Apply to**

**Local Salvation Army centre**



*I left the meeting, feeling relieved and lifted, no longer feeling I was a failure but understanding that I had tried my best to cope with a spiral of financial circumstances I had no control over, also that there was a way to see a future.”*  
**Peter**



*Organisation* **StepChange Debt Charity**

*Website* [www.stepchange.org](http://www.stepchange.org)

*Who can apply* Anyone, however big or small their debt problem and whatever the cause of their debt.

*How the scheme can assist you* You can get free, impartial debt advice from us online or over the phone. When you contact us:

- we'll ask for details about your debts, income and outgoings and help you create a budget
- you'll get a personal action plan and recommended debt solutions that suit your situation
- if you choose to go ahead with a solution, we'll help you get things set up and give you all the ongoing support you need

*How to apply* Visit [www.stepchange.org](http://www.stepchange.org) or call 0800 138 1111

*Notes* We are the UK's leading debt charity, contacted by hundreds of thousands of people a year for help dealing with their financial worries. We support people to take back control of their situation and we never judge.

*Apply to* **Call us for free, independent debt advice on 0800 138 1111,** Monday to Friday, 8am to 8pm; Saturday, 8am to 4pm. Calls from landlines and mobiles are free.

Or you can visit our website [www.stepchange.org](http://www.stepchange.org)





*Organisation*

**The Tax Academy CIC**

*Website*

www.thetaxacademy.co.uk

*How the scheme can assist you*

**The taxing issue**

No matter what the crime is, taxpayers still have a legal obligation to deal with their tax affairs whilst in prison or on licence and are not sheltered, as some think, by being in the ‘prison bubble’. This is particularly relevant to those who were self-employed on entering prison and need to complete self-assessment tax returns. Those who were employed when entering prison may also be due a tax refund.

**Who we are**

The Tax Academy CIC is a Social Enterprise that provides tax support to those that are in prison and under licence within the Probation Service. It is the only prison body that specifically represents the prison sector through the HMRC Individuals Stakeholder Forum, giving you the prisoner ‘a voice’ within HMRC. It is also the only prison organisation that is a member of the HMRC Voluntary Sector Tax Resolution Service (VSTRS), meaning we deal with a specialist HMRC team not available to the general public.

**What we do**

The Tax Academy undertakes the following activities with the assistance of VSTRS. We can:

- help you sort out your tax affairs while you are in prison, at no cost to you, by undertaking a 4-year tax review to ensure your tax affairs are up to date prior to release
- work with you on filing outstanding self-assessment tax returns, appealing tax penalties and managing tax debt with HMRC

Many of our clients in prison come back to us after release and commission us to provide ongoing tax support.

Paul Retout founder of The Tax Academy is a tax specialist, tax author and a regular contributor of tax articles to the prison newspaper insidetime.

*Apply to*

**The Tax Academy CIC**

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