



Financial
health &
wellbeing



Support for life

Dealing with Priority Debt

Two in five people (40%)¹ say they regularly think about having enough money left at the end of each week or month to buy food and other essentials after rent, mortgage and bills. And when faced with an unexpected change in circumstances, due to illness, bereavement or a change in job security, it is no surprise that more and more people are getting into debt.

It's a worrying situation to find yourself in debt, but you're not alone and there is plenty of help out there.

Some debts are more important.

Knowing which debts should take priority can help you to keep the roof over your head.

What are priority and non-priority debts?

Priority debts are those that have the most serious consequences if you don't pay them.

They don't have to be the largest or have highest interest rates, but if you don't pay them it could lead to serious problems.

Please see on the next page a list of priority and non-priority debts.

¹ Citizens Advice Bureau - May 2015

Enquiries to Ben

43.5% money worries

PRIORITY	NON PRIORITY
Rent arrears	Overdraft
Gas arrears	Credit card
Council Tax	Car loan
Water rates	Doorstep lenders
Electricity arrears	Store cards
Benefit overpayments	Catalogues
Telephone	Hire Purchase (non-essential, TV etc.)
Mortgage arrears	Personal loans
Court fines & CCJ's	
Hire purchase (essential, such as a car to get you to work)	
Secured loans (secured against your home)	
Child maintenance	
TV licence	
Tax	
VAT & national insurance	



Why you should pay off priority debts first

The consequences of not paying off priority debts could be losing your home, receiving a court summons, being visited by bailiffs, facing bankruptcy or having your electricity or gas cut off.

How to deal with priority creditors

Don't ignore letters or phone calls from your priority creditors. Get in touch with them as soon as possible to explain why you are in debt. There are time limits on when some creditors can go to court to get you to pay a debt. If you think the time limit has run out, you should get advice immediately.

48%
of
households
in debt*

* Office of National
Statistics, 4th April
2016

(Household debts July
2006 - June 2014)

Get help

Being in debt can lead to anxiety and stress. It can also be really frightening having to phone your creditors.

There are many free specialist debt agencies that can help you through this situation.

Make sure if you get debt advice it is from a reputable organisation, you should not have to pay for debt advice.

They will support you in contacting your creditors, draw up repayment plans, help to get legal aid if necessary and much more.



Further sources of help

- Citizens Advice Bureau
<https://www.citizensadvice.org.uk/debt-and-money/help-with-debt/dealing-with-urgent-debts>
- Shelter
http://england.shelter.org.uk/get_advice/money_problems/loans_debt_and_bankruptcy/priority_and_non-priority_debts
- Eight tips for dealing with debt stress
<https://www.uswitch.com/debt-help/coping-with-debt>

www.ben.org.uk

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Free, confidential helpline:
08081 311 333

Ben - Motor and Allied Trades Benevolent Fund. Lynwood Court, Lynwood Village, Rise Road, Ascot SL5 0FG. A charity registered in England and Wales (no.297877) and Scotland (no.SC039842). Registered with the Homes and Communities Agency (no. LH3766).

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