

# DEBT ADVICE TEAM FACTSHEET

DEBT ADVICE LINE  
0121 303 2087



## Contacting Non-Priority Creditors

Once you have prepared your personal budget, taking into account your day to day expenditure and priority debts, you will need to consider whether you have money available to offer your non-priority creditors.

If you have nothing to offer because you have no available income you may wish to request that they put a hold on action for a period of time in the hope that your financial situation may improve. It is also useful to include details about why you have been unable to meet your payments and any information which may be useful to them, such as if you are seeking employment. You should also include a copy of your personal budget to provide evidence of your financial situation.

Date

### SAMPLE LETTER

Your Address Here

Asking for a hold on  
further action

Creditor address here

Dear Sir/Madam

Re Account No/Reference No:- \_\_\_\_\_

Since making the above agreement with you, my/our circumstances have changed.  
I/ we cannot now afford to meet the previously agreed monthly payments because  
... put how your circumstances have changed here

I/ we enclose a Personal Budget sheet, which shows the total household income and costs. As you can see from this I/ we have no money remaining to offer towards my/ our outstanding debts.

In view of my/ our circumstances, I/ we would be grateful if you would agree to grant me/ us a 6 month action hold and agree to freeze enforcement action, as well as interest and charges for this period of time.

Should my/ our circumstances improve within this time period I/ we will contact you again.

Thank you for your assistance. I/ we look forward to hearing from you as soon as possible.

Yours faithfully

Your Name

If you have no available income but you wish to make some payment, you could offer a token payment of £1.00 per month. Remember to include a copy of your personal budget as evidence of your financial situation.

Date

Your Address Here

Creditor address here

Dear Sir/Madam

Re Account No/Reference No:- \_\_\_\_\_

## SAMPLE LETTER

Proposing a token offer

Since making that above agreement with you, my/our circumstances have changed. I/ we cannot now afford to meet the previously agreed monthly payments because ... put how your circumstances have changed here

I/ we enclose a Personal Budget sheet, which shows the total household income and costs. As you can see from this I/ we have only £\_\_\_\_\_ per week/ month remaining to offer towards my/ our outstanding debts.

In view of my/ our circumstances, please would you agree to accept token payments of £\_\_\_\_\_ per week/ month. I/ we appreciate that this offer is small but it is the only realistic one in our current circumstances.

If interest or other charges are being added to the account I/ we would be grateful if you would freeze these so that all payments made will reduce the debt. Should my/ our circumstances improve I/ we will contact you again.

I/ we would prefer to be able to make payments via Standing Order. Please can you provide the necessary details to set this up. Alternatively I/ we would be grateful if you would send a paying-in book or payment card to make it easier to pay you.

Thank you for your assistance. I/ we look forward to hearing from you as soon as possible.

Yours faithfully

Your Name

If you have money available to offer your creditors there may be other options available to you to clear your debts. These include: Pro-rata Offers, Full and Final Settlement, Administration Order or Individual Voluntary Arrangement

The information provided in this factsheet is for guidance only  
Before you take any action it is important to seek advice

Debt Advice can be obtained from Birmingham City Council on **0121 303 2087** or ask at your local Neighbourhood Office (please call **0121 303 1111** for your nearest office). You can also visit the Council's website: **[www.birmingham.gov.uk/debtadviceteam](http://www.birmingham.gov.uk/debtadviceteam)**