

Scotdebt - DAS

If you have disposable income that would allow you to pay your debts in full within a reasonable time period, the Debt Arrangement Scheme “DAS” may be suitable. You need to be able to repay all creditors within a reasonable time period and each payment made during the DAS is made pro-rata to the level of each debt. This may mean paying your debts over a term of up to 10 years until all debts are settled in full. Once a DAS is approved, you are protected from further action from your creditors. Creditors cannot add any further interest or charges to your account and your assets are protected, particularly your home.

The Scotdebt team can handle your DAS, as Meston Reid Limited holds a consumer credit license (license number – 670740) which is issued by the Financial Conduct Authority,

Main advantages	Main disadvantages
<ul style="list-style-type: none">▪ Use an official Scottish Government debt management scheme.▪ Once the DAS is approved, as long as you maintain agreed payments in accordance with the DPP, your creditors cannot take any debt recovery action and must stop adding interest and charges.▪ Your assets are not taken into consideration. Thus, as long as mortgage/secured loan payments are maintained, your home is not affected▪ You make one monthly payment via an approved payment distributor who is responsible for paying your creditors.▪ There is no upper limit to the level of debt that you have.	<ul style="list-style-type: none">▪ your credit rating may be affected for the duration of the DAS.▪ if the majority of your creditors object, the DAS may not become approved.▪ No official debt write-off. You will be expected to repay your debts in full over an agreed period of time.▪ DAS is a matter of public knowledge because it is recorded in the DAS register maintained by the Accountant in Bankruptcy at www.dasscotland.gov.uk.

Debt Arrangement Scheme FAQ

1. What is the Debt Arrangement Scheme “DAS”?

DAS was introduced by the Scottish Government and is a statutory debt management tool and has become more popular in recent years with about 4,500 Scots using the facility each year. It allows you to repay your debts in full over a reasonable period of time i.e. removes creditor pressure. Interest is frozen on your debts and the process is designed to protect your house if possible.

2. Will DAS advice be expensive?

You can obtain free, confidential and impartial advice from organisations like the Citizens Advice Bureau or accredited local authority advisers. An initial consultation with a licensed insolvency practitioner is likely to be free.

You can contact Scotdebt.net for free initial DAS advice.

3. What is a debt payment programme “DPP”?

DPP is the term given to the plan which is approved under DAS. The DPP is the payment regime that you have to follow in order to repay your creditors.

4. How do I apply for DAS?

DAS is one of several options available to individuals seeking advice on their financial affairs. You are required to meet with an approved money adviser who will conduct an assessment of your financial situation to help establish if you are suitable for a DPP. Details of approved money advisers such as Meston Reid & Co can be found at www.dasscotland.gov.uk.

5. A creditor is chasing me for a debt I cannot pay. Can I seek protection by using DAS?

Yes. If a creditor is pursuing you for payment of a debt and has written to say they intend to take court action, you may write to the DAS administrator and intimate your intention to apply for a DPP. This is the start of the process to obtain protection under DAS.

6. Who is the DAS administrator?

The DAS administrator is the accountant in bankruptcy, a Scottish Government official based in Kilwinning, Ayrshire (www.aib.gov.co.uk) who oversees the whole administration process.

7. Will entering DAS be public knowledge?

If you participate in DAS, your details will be recorded on the DAS register which is a public register www.dasscotland.co.uk and can be accessed by anyone free of charge.

8. Is DAS the answer for me?

Much will depend upon the level of your debts and your ability to repay them over a manageable period of time. DAS provides legal protection for you in respect of your liabilities should the accountant in bankruptcy approve your repayment scheme. A DAS enjoys the benefit of freezing interest which means that the amount currently due is what you will pay. A DAS typically lasts for a period of between five and ten years. If you have no assets, either a trust deed or sequestration may be a better route because both normally require a contribution period for a shorter period. Each individual has a different attitude to creditor repayment and DAS anticipates that your creditors are repaid in full.

9. Will the DAS register show anyone who looks all my creditor details, together with my income position?

No. The DAS register contains your name/address/date of birth/money adviser's name, the approval date of your DPP, start DPP date and end DPP date.

10. How much does DAS cost?

There is no application fee. A monthly fee is likely to apply where the administration of your DPP is carried out by a continuing money adviser. Such fee is deducted from your monthly payment to the DPP.

11. Will I lose my house if I sign a DAS?

*The property which is occupied by you as your main home is not included in a DAS,
irrespective of the level of equity*

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