

Scotdebt – Informal Arrangement

You may wish to avoid a formal process and to deal with your creditors directly or have an advisor such as the Citizens Advice Bureau, a licensed insolvency practitioner or a debt management company, to do so on your behalf.

Should you wish to speak to a member of our team further about organising an informal arrangement with your creditors then call us today on 01224 625 554.

Main advantages	Main disadvantages
<ul style="list-style-type: none">▪ Can be undertaken by you▪ There may no charge if arranged by you or with the help of certain money advisors (for example stepchange, citizen’s advice bureau)▪ Can relieve pressure from creditors▪ Creates a repayment programme that all parties are content with▪ May not have an adverse effect on your credit rating	<ul style="list-style-type: none">▪ Creditors do not have to agree▪ There is no guarantee that creditors will accept your proposals▪ Interest and charges will continue to accrue unless agreed otherwise▪ Many advisors and debt management companies will charge a fee for providing help▪ If your situation changes are you are unable to maintain your instalments, you may have to start all over again▪ Creditors can continue to take legal action against you

Informal Arrangement FAQ

1. Can I go to prison for non-payment of a debt?

No, you cannot go to prison for failing to pay a debt. If you are charged and convicted of fraudulent activity then you may receive a jail sentence.

2. How much should I offer to pay to my creditors?

Realistically, the smallest amount that can be offered to creditors is £5 per month, however this would most likely mean it may take years to clear your debts and some creditors may not accept these proposals.

3. If I organise a debt management plan to deal with my debts, can creditors still add interest and charges to what I owe?

Yes, your creditors are not legally obliged to freeze interest or charges.

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