Money worries? We’re here to help.

Trying to cope with money worries alone can be very stressful. Bills, debts and just trying to get by can seem impossible. And ignoring money problems usually makes things worse. But now it’s easier to get help and advice you can rely on.

Most people at some point in their lives experience problems of a financial nature. People fall into debt for many reasons. Life events such as illness, relationship breakdown, and loss of employment can all bring about debt problems.

Lack of awareness of benefits, tax credits means that many people are not receiving the income that they are entitled to. Some people sign loan agreements they don’t understand and agree to interest rates that they can’t afford.

DEBT CAN CAUSE SERIOUS PROBLEMS

Ill-health, relationship breakdown and loss of employment can be brought about by debt. Debt problems can make it difficult for people to cope with daily life and can have a significant impact on parents’ relationships with each other and their children.

However, there is help available to residents living in the Stockton area and this leaflet aims to explain how we can help.
A mutually convenient time will then be arranged for the Duty Officer to ring you back. If you wish to find out more about this service please contact 01642 526141.

Are you claiming benefits you are entitled to?

They are committed to ensure that all residents of the Borough have equal access to the benefits system in order that they may receive those benefits to which they are entitled to by ‘law’.

The advice line operates from 2pm to 5pm Monday to Thursday and 2pm to 4.30pm on Fridays. Brief details will be taken - such as your name, address and the type of enquiry.

A mutually convenient time will then be arranged for the Duty Officer to ring you back. If you wish to find out more about this service please contact 01642 526141.

Case Study

Mr C contacted the Citizens Advice Bureau for help in reducing his mortgage payments, he was not currently in arrears but was missing other essential bills to maintain the payments. On discussion the problem was actually with his non-priority creditors. Mr C is a single person aged 76 and living on his state and work pension. During the interview he called Bill and Ben. Staff told him he was entitled to:

• A Council Tax Band reduction due to his permanent disability
• A 25% Single Person Discount due to living on his own
• Full Council Tax Benefit due to getting Guaranteed Pension Credit

Mr Brown was delighted he had no Council Tax to pay.

Mr C advised he had £54,564.18 worth of non-priority debts both credit cards and loans, and was using a fee-paying company to negotiate reduced payment. This was costing £100.00 per month, excluding agreed payments. The Citizens Advice Bureau completed a financial payment which showed he would struggle to pay his interest only mortgage and his other essential expenditure. It also showed that he could not afford to pay a fee to a debt counselling company and could only offer token payments to his creditors. He was advised that the Citizens Advice Bureau service is free of charge saving him immediately £100.00. After some negotiation, the Citizens Advice Bureau managed to negotiate £1.00 per month token offer with his creditors. Mr C is now able to concentrate on his essential expenditure and maintain his mortgage payments.

Don’t rely on someone else to pass the message on.

Who is eligible for chat?

• anyone moves into or out of your home, including lodgers and subtenants;
• your income including benefits or the income of anyone living with you changes;
• your capital, savings or investment changes;
• you or anyone living with you becomes a student, goes on a Youth Training Scheme, becomes an apprentice, goes into hospital or a nursing home, goes into prison changes or leaves a job;
• you move;
• you or your partner are going to be away for more than a month;
• you receive a decision from the Home Office

This is not a full list. Please ask us for advice if you are not sure.

If the change means that you would get more benefit and you do not tell us within one month we will not be able to backdate the change. Some of these changes may increase the amount of help you are entitled to, for example, if you start to receive Attendance Allowance, Carers Allowance or Disability Allowance.

It is an offence not to tell us about any changes of circumstances that affects your benefit.

We may take court action against you and if we pay too much benefit, you will probably have to pay it back. You must tell us about changes in writing. A phone call is not enough. Alternatively you can call into the Benefits Service reception at 16 Church Road, Stockton or take any documents or letters to any of Tristar Homes Housing Centres or Council Tax offices.

Don’t rely on someone else to pass the message on.
More and more people are finding themselves faced with debt problems and one of the easiest ways to fall into debt is by taking out a loan from a doorstep lender.

Do you know the APR costs they will charge you?
Do you really know how much you will have to repay?

The reality!
By taking out a loan of £100 over one year you could be paying back as much as £215.00 back to a lender!

However there is an alternative. Credit Unions offer a safe and friendly service and can be used by anyone living or working in Stockton and the surrounding areas. By taking out a loan of £100 over one year with a Credit Union you would repay just £106.61. On 19th October 2007, Tees Credit Union launched a Credit Union service available for residents living within the Stockton Borough. The Credit Union will enable all residents in Stockton to become a member and provide access to a friendly community banking service.

Diane Patterson from Tees Credit Union at the launch said: “This scheme is a great opportunity. Simple saving accounts will ensure fair, low cost loans are offered therefore providing convenient and affordable financial services to residents living within the Stockton Borough. The Credit Union will enable all residents in Stockton to become a member and provide access to a friendly community banking service. Diane Patterson from Tees Credit Union launched a Credit Union service available for residents living within the Stockton Borough.

The Credit Union is run by friendly volunteers from within your community and offer a safe and friendly alternative for people who don’t want to use a high street bank. Both of these services will enable residents to pay their bills by Standing Order or Direct Debit. The Credit Union will not let you borrow unreasonably high loans which you cannot repay and loans are based on how much you have saved.

Some organisations limit how much can be saved and restrict when it can be withdrawn. With the Credit Union you can save as much or as little as you wish and can withdraw whenever you wish to do so.

Standing Orders
You can save by setting up a standing order so if you prefer, you don’t even have to leave the comfort of your own home.

Local Friendly Collection Points
Credit Unions have collection points in local public buildings, such as Community Centres and Libraries which are conveniently located and easily accessible.

No Bank Account?
No problem - wages and benefits can be paid into your Credit Union account and you can withdraw them, immediately at any collection point.

Standing Order and Direct Debts
Are you paying more for your bills because you are unable to pay by Standing Order or Direct Debit? Have you been refused credit because you don’t have a bank account? Your Credit Union account can be used to pay bills and you can set up Standing Orders and Direct Debts.

Loans
Once you have saved for a period of time (usually thirteen weeks) you can apply for a low cost loan. The Credit Union interest rate is only 12.68%, that’s 1% per month on the outstanding balance. E.g. borrow £100 over one year and you will only pay £6.50 interest.

Savings and Borrowing
The Credit Union will not let you borrow unreasonably high loans which you cannot repay and loans are based on how much you have saved. For more information contact: Tees Credit Union & South Thornaby Community & Resource Centre, 1 Northgate, Thornaby, TS17 9JG Telephone: 01642 753517
Case Study

Miss A contacted the service regarding advice in respect of rent arrears. She had fallen behind with rent and council tax and other priority debts. Miss A was a single person 24 years old employed and living in private rented accommodation. During the interview the Citizens Advice Bureau completed a financial statement, which highlighted she had £24,000 non priority debts and a hire purchase agreement for a car. As the car was needed for her to get to her workplace we treated it as a priority payment and included it as essential expenditure within her financial statement. The loans and credit card debts she had, had accumulated since she was 19 years old. Her monthly payments to non-priority debts totalled £485 per calendar month. After all essential expenditure was taken into consideration Miss A only had £185.00 per calendar month remaining to offer non-priority creditors. This was the reason she had fallen into arrears with her rent and council tax as she was trying to juggle her debts. The Citizens Advice Bureau negotiated payments to rent and council tax, which stopped possession of her property and bailiff action. Regarding credit cards and loans the Citizens Advice Bureau negotiated reduced payments which were offered on a pro-rata basis using the £185.00 per calendar month she had available.

For more information on CAP’s free service contact Julie Parker on 01642 785983 or Teesvalley@capuk.org

Cleveland Housing Advice Centre (CHAC)

Cleveland Housing Advice Centre provides an independent, free, confidential and impartial advice service to everyone.

Do you NEED help to:

• Find work or improve your current work situation
• Achieve your goals
• Plan your career direction
• Assess your skills and strengths
• Enter education or training
• Improve your English, Maths or Computer Skills
• Gain a qualification
• Explore self-employment ideas
• Find funding

Ring 0800 4580 120 and ask for the Guidance Team

E-mail – info@fivelephants.org.uk Website www.fivelephants.org.uk

Jargon Buster

Creditor – Someone who is owed money. This could be anyone from banks to catalogue companies.
Debts – Money which is owed.
Expenditure – This is money used for your monthly expenses i.e. to pay for bills, rent, housekeeping, etc.
Financial Statement – A financial statement lists what money you have coming in each month (your income) and what you have going out (your expenditure).
Income – This is the total monthly amount of money you receive i.e. from your salary, benefits, etc.
Priority debts – These are monies owed, which have come serious consequences if they are not repaid. These include council tax, mortgage/rent payments, utility suppliers and court fines.
Pro rata payments – a pro rata payment is a way of dividing up any remaining money you have amongst your secondary creditors.
Non-priority debts – These are monies owed, where the consequences are not as serious as those of priority debts.

For this reason, these debts are negotiated after priority debts.