

### **Factsheet on Payment Issues when it comes to your creditor**

#### **The creditor has declined my proposal for re-payment, what should I do?**

- When making an offer of payment to the creditors you are likely to receive mixed feedback.
- Each creditor reacts differently to offers of repayment and it is common some will accept and some will decline.
- The next step is to write to the creditor again and supply them with a personal budget sheet.
- Further make contact with your creditors and let them know if any of the other creditors you have offered payments to have accepted the proposal.
- If you have evidence proving the acceptance of other creditors, send photocopies.
- Also you can make a point to the creditor that changing your offer would upset the balance between all the other creditors and you must treat everyone fairly.
- You can also encourage the creditor to accept your proposal by making a gesture of goodwill. To do this you should start making the regular payments that you offered.

#### **The creditor has rejected my proposal to stop adding interest**

- It is common for creditors to refuse to stop adding interest but in some cases they do reduce the interest that they were charging.
- Even though the creditor would be aware of the interest being frozen upon court action, make them aware that you also know this.
- In some cases it has been seen that your offer of payment is less than the interest that is being added on, point this out the creditors and you can show therefore you would end up never settling the debts and reducing the amount.

### **I am still having no luck with the creditors accepting the proposal**

- If you have gone through all the processes above and the creditor is still neglecting your offer and is also refusing to halt any interest being added, you now have a decision to make.
- It is possible that if you keep making the offered payments to the creditor, they will see this and not take you to court and start simply accepting the payments.
- The other option is to invite the creditor into taking you to court.
- You can make a point to the creditor if they do not halt the interest there is no point in continuing to make payments.
- If you choose this option that you should immediately stop making payments to the creditor, which will hurry them into a decision on whether to accept your original proposal or in fact take you to court.

### **My creditor is threatening court action:**

- If you have already been through the above processes and the creditor still wants to settle the figure through court action you will have one more chance left to attempt to persuade the creditor otherwise.
- It is not common for the creditor to accept your offer of repayment for the time being and also tell you that they may still seek court action against you.
- In this final chance you can write a letter to the creditor that states under the Civil Procedure Rules the court will expect people to act reasonably to avoid having to attend a court hearing.
- It is at this point you can point out to the creditor that by them not accepting your offer of repayment they are in fact being unreasonable.
- Be sure to notify the creditors you intend to use this argument if you are summoned to court.
- It has been seen in many instances that at this point the creditor has in fact agreed not to take you to court and accept the proposal.

### **Is there a point where I should simply pay what the Creditor wants?**

- If your creditors are continually rejecting your offers then it is important you do not simply give up.
- Keep making those payments and continue to request the creditors to change their mind and accept.
- If you do give in to what they creditors want, it is likely you will fall behind on the payments or even behind on other bills, for example household bills, as you will not be able to afford them.



24 Hour IVA Helpline 0800 876 0999  
0161 790 0166

### **Is there a place to submit any complaints?**

- You can submit complaints since 2006 to the Financial Ombudsman Service who would then look into how the lender has dealt with your personal situation.
- Before you submit a complaint with the FOS you will have to go through the complaints procedure of the individual lender you have been dealing with.

### **What if my complaint is about a bank I was dealing with?**

- There will be a further complains procedure seen under the Banking Code.
- If you further think your complaint has not been dealt with fully by the Banking authorities you can make an additional complaint to the FOS.

### **Is my creditor part of The Trade Association?**

- Be sure to ask your creditor if they belong to a trade association.
- The trade associations have codes of practice that the creditor must abide to.
- The trade association also has their own complaints procedure that you could look into.
- It is expected that you will go through the creditors complaints procedure first before taking it up with the trade association.