

Make sure the words ‘ Without Prejudice ‘ are put at the top of the letter.

Without Prejudice

Dear Sir/Madam

Re: (provide name address and reference number if known)

We are at present assisting the above client with the management of their finances and enclose a signed authority for your records.

Enter a paragraph explaining personal circumstances for the financial difficulties. You may also need to give reasons for any high expenditure on the financial statement, especially if this relates to their illness.

We have prepared with the client a financial statement that we have enclosed. In creating this we have used realistic budgeting figures based on their circumstances at present including any debts currently outstanding. You can see from this information, that we are unable to make any realistic offer of payment at this time as the client is having difficulties meeting even their basic needs.

However a sum of £..... can be raised via a third party, (give details of third party and their relationship to you if possible) and this is being offered as an ex-gratia payment in full and final settlement of the account. A summary of the amounts being offered to each creditor is enclosed. You would receive £.....

This offer is made on the clear understanding that, if accepted, neither you nor any associate company will take any further action to enforce or pursue the debt and that the client is released from liability.

We also request that you mark any entry on the credit reference file relating to the account as satisfied in full.

I would be grateful if you would confirm this in writing if this is acceptable to you and enclose a payment slip so payment can be made without delay.

I look forward to hearing from you soon.

Yours faithfully

YourName

Your Job Title

Encs