

Letter 5 – Offer of a full and final settlement

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 writing regarding some financial difficulties which mean it is difficult for the regular contractual payments to be met on the above debt and to offer a lump sum amount by way of settlement of the debt in full.

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 illness/family problems etc

We have prepared a financial statement that we have enclosed. In creating this we have used realistic budgeting figures based on circumstances at present including any debts currently outstanding with other creditors. You can see from this information, that it is not possible to meet the contractual payments.

However a sum of £..... can be raised via a third party, **(give details of third party and their relationship to you)** 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 we would be released from liability.

We would be grateful if you would confirm this in writing if this is acceptable to you. We look forward to hearing from you soon.

Yours faithfully

name

Encs:

List any additional documents enclosed
e.g. financial statement, medical certificate etc