

# Support with financial difficulties

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As a responsible lender, we want to reassure all our customers that we will treat them fairly if they are having difficulties with their repayments.

If you are having trouble paying your mortgage or second charge loan, we will try to help you. This guide explains how we will treat you fairly, and what steps you should take to help yourself.

## What we might be able to do

- ▶ Contact you as soon as possible to discuss your payment difficulties. We appreciate how stressful this can be and we will deal with your situation based on your individual circumstances.
- ▶ Take into account your particular circumstances (including your income and expenditure) when trying to reach an agreement with you to repay the arrears over as reasonable a period of time as possible.
- ▶ We may be able to reach a new payment plan with you taking into account your and our interests. This might mean you agreeing to pay an amount to us over and above the normal monthly payment or in some cases, for a short period of time, it might mean we can accept less than your monthly payment. This again will be based on your particular circumstances (including your income and expenditure).
- ▶ Consider changing your mortgage account. We may be able to change your mortgage to interest only or extend the repayment period to reduce your monthly payments.
- ▶ We may be able to change the date on which your payments are due every month or change the way in which you make them.
- ▶ Only start proceedings to repossess your home if we cannot resolve the problem with you.
- ▶ Oversee any third parties acting on our behalf (such as third party associates or solicitors) to ensure that you are being treated fairly.
- ▶ Talk to an agency which gives debt advice, if you want us to. They can contact us on 0800 781 8558; we are available Monday to Friday 8.00am to 6.00pm and Saturday 9.00am to 12.00pm.
- ▶ Consider capitalising your arrears (i.e. consolidating your arrears with your outstanding mortgage balance), – that is, treat the arrears as if they are part of the total outstanding balance on your mortgage. This would increase the amount of your monthly payments.

If we cannot offer you any of these options, we will tell you why. If we can make one of these arrangements with you, we will explain how it would work (including the impact on your monthly payments and remaining mortgage repayment period). We will give you time to consider it and obtain independent financial or other advice. If we cannot offer any of these options, we might agree to allow you to remain in the property to sell it yourself depending on your circumstances.

## What you can do to help

- ▶ Tell us as soon as possible if you are having problems repaying your mortgage or second charge loan, or think that you might be experiencing problems shortly. We will try to help and work with you. If you don't keep us updated as to your circumstances or don't respond to our letters or telephone calls, we won't understand the reasons as to why you are experiencing difficulty.
- ▶ Seek debt advice if you would like help managing your finances. Details of organisations who will offer advice at no cost are included at the end of this guide. It will help if you take information on your income and/or benefits, your bills and spending and any loans you have to pay. The adviser will give you advice and check that you and your family are receiving all of the financial support that you are entitled to and suggest how to manage your finances.
- ▶ Look at how much you're spending and on what. You may have already curbed your spending but we may be able to suggest how you can get help organising your outgoings or reducing them.
- ▶ Check whether you can get any State Benefits or Tax Credits which could help to increase your income. In turn these benefits may mean that you are eligible for Government schemes such as Support for Mortgage Interest.
- ▶ If you have a payment protection insurance policy, check whether it would help with your payments.
- ▶ Make sure you keep any other people paying the mortgage or second charge loan, and anyone guaranteeing the mortgage or second charge loan, up to date with what is happening.
- ▶ Keep to any payment plan we agree with you, or tell us if there is a change in your circumstances which may affect the arrangement. If you do not make the agreed payments, we might have to go to court to get back any money you owe us, or to repossess your property.
- ▶ You may want to talk to a professional adviser, such as a debt counsellor or a lawyer, before you change your mortgage arrangements. We strongly advise that you seek independent, free, debt advice.

## Costs and charges

If you are in arrears, we may charge you for reasonable administrative and legal costs in accordance with our Tariff of Mortgage Charges which you may have already received. If you need another copy please let us know.

We will not apply charges to your account if you have made an arrangement with us and where you are keeping to that arrangement.

If you pay by Direct Debit, we will only charge one Direct Debit rejection fee in any month and if our attempts to collect payments by Direct Debit continue to be rejected for two consecutive months, we will consider suspending future Direct Debit requests to avoid you incurring further charges.

In addition, no more than two arrears and possession fees will be added in one month.

## If we cannot find a solution

- ▶ We may send a third party associate to see you to discuss your financial circumstances, and the cost of the visit may be charged to your account. The associate acts on our behalf to help us understand why you are having difficulty making payments and how we may be able to help you get 'back on track'.
- ▶ We may go to court to start legal proceedings to repossess your home if we consider that all other options have been exhausted. If proceedings take place we strongly recommend that you attend court and that you seek independent debt advice. This does not necessarily mean that you will lose your home. We will keep trying to solve the problem with you.
- ▶ Possession is the last resort and before we repossess your home we will give you and any other occupiers in the property information about contacting your local authority to see if they can find somewhere else for you to live.
- ▶ If you have a Buy to Let mortgage or have let the property then we may also appoint a receiver to collect rent, manage and potentially sell the property. The receiver acts as your agent and therefore we are not legally responsible for their actions.

## If we repossess your home

- ▶ We will sell it for the best price we can reasonably get. We will try and sell it as soon as possible.
- ▶ We will give you reasonable time to take your possessions from your home.
- ▶ If your loan with us is a first charge mortgage, the money raised from selling your home will be used to repay your mortgage and any other second charge loans or charges you have with us which are secured on your home.
- ▶ If there is any money left over, we will pay it to any other lender which has a charge over your property or, if none, to you (or if the mortgage is in joint names, to both of you).
- ▶ If your loan with us is a second charge loan, the money raised from selling your home will be used first to repay your first mortgage. If there is any money left over, it will be used to repay your second charge loan with us.
- ▶ If there is any money left over after that, we will pay it to any other lender which has a charge over your property or, if none, to you (or if the second charge loan is in joint names, to both of you).
- ▶ We will record the fact that your home has been repossessed with the Credit Reference Agencies which could affect your ability to get credit in the future.

## If selling your home does not raise enough money to pay off the mortgage

- ▶ If there is not enough money from the sale to repay the whole mortgage or second charge loan, you will still owe us the amount that is left (which is called a shortfall debt). We will tell you how much this is as soon as possible.
- ▶ If you bought your home with another person who is named on the mortgage or second charge loan, each of you is responsible for all the money borrowed.
- ▶ We will contact you, and/or your guarantors if any, within six years of selling the property (five years in Scotland) to arrange for you to pay back what you still owe.
- ▶ We will take into consideration your income and expenditure when we arrange a payment plan for this shortfall debt with you. But if we cannot arrange a suitable plan, we may go to court to get our money back. You might have to pay additional court costs, and if a shortfall debt is not paid, it could affect whether you are able to get credit in the future.

If you do not think we (or anyone acting on our behalf) have treated you fairly, you can complain to our complaints officer:

Complaints Department  
PO Box 6037  
Wolverhampton  
WV1 9QW

If your complaint is not dealt with to your satisfaction, you may then take it to the Financial Ombudsman. The Financial Ombudsman Service provides a free and independent service for consumers, and can be contacted at:

Financial Ombudsman Service  
Exchange Tower  
London  
E14 9SR

Website: [www.financial-ombudsman.org.uk](http://www.financial-ombudsman.org.uk)  
Email: [complaint.info@financial-ombudsman.org.uk](mailto:complaint.info@financial-ombudsman.org.uk)  
Phone: 0800 023 4567 or 0300 123 9123 from a mobile.

## Other issues

Some companies may offer you new loans or even invite you to sell your property to them and then lease it back as a way of resolving your short term financial difficulty. Please be careful, as such actions may not be in your long term best interests. We would advise you to seek independent advice before entering into any arrangement of this type.

You may be thinking about handing your keys over to us. If you do this, you will still owe us any outstanding debt, and we would advise you to discuss this option with us before taking such action.

# Budget calculator

It may help you to use this as a guide to help you work out how much money you have available each month.

Employment	Person 1	Person 2
Employment status		
(Full/part time)		
Current occupation		
Name of employer		
Time in current employment		

Income	Person 1 (£)	Person 2 (£)
Monthly income		
Unemployment benefit		
Supplementary benefit		
Family income support		
State pension		
Work pension		
Child benefit		
Invalidity/sickness benefit		
Redundancy income		
Child maintenance payments		
Non dependants contribution		
<b>Total income</b>		

Outgoings	Total debt owed (£)	Person 1 (£)	Person 2 (£)
First mortgage			
Second charge loan			
Other secured loans			
Rent			
Endowment			
Life insurance			
Car insurance			
Contents/buildings insurance			
Council tax			
Water rates			
Housekeeping			
Electric			
Gas			
Other fuel			
Phone (landline)			
Mobile			
TV licence			
Cable/sky			
Broadband/internet			
Food			
School meals			
Fines			
Magazines/papers			
Childminder			
Cigarettes/alcohol			
Car expenses			
Petrol			
Travel			
Child maintenance payments			
Entertaining/socialising			
Clothing			
Prescriptions			
Savings			
Pension scheme			
<b>Other outgoings</b>			
<b>Total outgoings</b>			



Useful contacts	Telephone	Website	
Advice UK	0300 777 0107	<a href="http://www.adviceuk.org.uk">www.adviceuk.org.uk</a>	For free and confidential advice but not all members provide money advice
Business Debtline	0800 197 6026	<a href="http://www.bdl.org.uk">www.bdl.org.uk</a>	For free and confidential money advice for self-employed people and small businesses
Citizens Advice Bureau (CAB)	Refer to website	<a href="http://www.citizensadvice.org.uk">www.citizensadvice.org.uk</a>	For free, confidential and face-to-face money advice
The Debt Advice Network	0151 356 8200	<a href="http://www.thedebtadvicenetwork.org">www.thedebtadvicenetwork.org</a>	For free, confidential and face-to-face money advice
Department for Work and Pensions	Refer to website	<a href="http://www.dwp.gov.uk">www.dwp.gov.uk</a>	For information on State Benefits and will direct you to other Government divisions administering certain benefits
Equifax	Refer to website	<a href="http://www.equifax.co.uk">www.equifax.co.uk</a>	Credit reference agencies
Experian	0844 481 8000	<a href="http://www.experian.co.uk">www.experian.co.uk</a>	
Financial Conduct Authority (FCA)	0800 111 6768	<a href="http://www.fca.org.uk">www.fca.org.uk</a>	For impartial information and general guidance
Financial Ombudsman Service	0800 023 4567	<a href="http://www.financial-ombudsman.org.uk">www.financial-ombudsman.org.uk</a>	See Complaints section on page 5
HM Revenue and Customs	Refer to website	<a href="http://www.hmrc.gov.uk">www.hmrc.gov.uk</a>	For information on tax credits
The Insolvency Service	Refer to website	<a href="http://www.bis.gov.uk/insolvency">www.bis.gov.uk/insolvency</a>	Licensed professional to arrange your debt solution
Jobcentre Plus	Refer to website	<a href="http://www.gov.uk/contact-jobcentre-plus">www.gov.uk/contact-jobcentre-plus</a>	If you are under state pension age and want advice on Income Support, Employment and Support Allowance and Jobseeker's Allowance
The Money Advice Service	0300 500 5000	<a href="http://www.moneyadvice.service.org.uk">www.moneyadvice.service.org.uk</a>	Provides information and tools to help you manage your money
National Debtline	0808 808 4000	<a href="http://www.nationaldebtline.co.uk">www.nationaldebtline.co.uk</a>	For free and confidential money advice
Payplan	0800 280 2816	<a href="http://www.payplan.com">www.payplan.com</a>	For free and confidential money advice
Pension Credit	Refer to website	<a href="http://www.gov.uk/pension-credit">www.gov.uk/pension-credit</a>	If you are state pension age and for advice on Pension Credit
Shelter	0808 800 4444	<a href="http://england.shelter.org.uk/get_advice">england.shelter.org.uk/get_advice</a>	Housing advice
Step Change Debt Charity	0800 138 1111	<a href="http://www.stepchange.org">www.stepchange.org</a>	For advice on how to manage your money

**We can provide literature in large print, Braille and audio tape. Please ask us for this leaflet in an alternative format if you need it.**

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