

# Debt Management Plan (DMP)

A Debt Management Plan (DMP) is an informal agreement between you and your creditors to pay back your debts with one reduced, affordable monthly payment.

Get debt advice

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## What is a Debt Management Plan? (DMP)

A Debt Management Plan or DMP is an informal agreement between you and your creditors to pay back your debts at a rate you can afford.

Review your income and expenditure to work out what you can realistically afford to repay each month. This reduced monthly repayment amount will



be proposed to each of your creditors and if accepted, your debts will be repaid at this rate over an extended period.

## **Is a Debt Management Plan right for me?**

If you're struggling to make your monthly payments but have a stable enough income to make consistent, smaller repayments over an extended period, then a DMP could be right for you.

## **When should I consider a Debt Management Plan?**

If you are:

- Worrying about money
- Struggling to pay your household bills
- Relying on your overdraft or credit card
- Missing repayments or getting into arrears

It could be worth speaking to a regulated debt advice company about a DMP.

## **What debts does a Debt Management Plan cover?**

A DMP is specifically for non-priority debts. These include:

- Overdrafts
- Credit cards
- Store cards
- Payday loans
- Bank loans
- Buy now, pay later debts



# Debt Management Plan pros & cons

## DMP Pros

Reduced monthly repayments

Creditors can freeze interest and charges on your debts

DMPs aren't recorded on a public register

You should receive less contact from your creditors

## DMP Cons

You're still liable for your full debt

Creditors can still take legal action

There are no guarantees that the creditors will accept offers

Your creditors aren't obligated to cease contact

# How to apply for a Debt Management Plan

If you want to apply for a DMP or find out what other solutions could be available, get in touch and we'll:

1. Review your current debts and financial situation, then give you expert advice on what solutions are available.
2. If you chose a solution managed by MoneyPlus Advice, we'll send you your paperwork and guide you through the setup process.
3. We'll contact your creditors to negotiate repayment amounts and freeze interest and charges on your behalf.



# Are you eligible for a Debt Management Plan?

You will need to be a UK resident, and you'll also need:

- At least £100 in disposable income each month
- At least £2,000 in unsecured debt
- At least 2 unsecured debts

## What debts aren't covered in a Debt Management Plan?

Not all debts can be included in a Debt Management Plan, some types of debt that won't be included are:

- Council tax
- Income tax
- Court fines
- National insurance
- TV license
- Utility bills
- Priority bill arrears

## Living with a Debt Management Plan

A Debt Management Plan gets to work almost immediately, meaning that once you have considered your budget, you can begin making your new manageable payments right away.

It's worth noting that creditors can still contact you and may continue to request payments. If your plan is managed by MoneyPlus Advice, you can refer any creditor contact to us, and you won't need to reply.

It's also important to remember that a Debt Management Plan will impact your credit score for the time the plan is in place, and 6 years after that.



# See some of our real-life DMP success stories

## Melanie was £22,000 in debt

She had multiple debts including credit cards, loans, catalogues & buy-now-pay-later debts.

Before entering a DMP, her monthly payments were



£739

As a MoneyPlus Advice customer, she now pays

£133



**That's a payment reduction of £606!**

Monthly payments are based on your individual circumstances after a full review of income and expenditure. In a DMP, reducing your payments will extend the amount of time to pay and monthly Management Fees will be payable.

Is a Debt Management Plan right for me?

**How a Debt Management Plan affects mortgages & renting**



## **Mortgage**

Having a DMP in place can make it difficult to get a mortgage. Making reduced payments towards your debts will show on your credit file, and this may be used against you in a mortgage application.

## **Remortgaging**

Similarly, it can be difficult to remortgage your existing home on a DMP, though there are options depending on the length of your current plan. If your mortgage plan expires, your current lender will likely offer their standard variable rate. While not the best deal, it will allow you to continue making repayments.

## **Renting**

If you keep your rent payments up-to-date and pay off any rental debts that you may have, then a DMP shouldn't affect your current tenancy.

# **Can a Debt Management Plan protect me against bailiffs?**

While a Debt Management Plan cannot guarantee that bailiffs will no longer come to your door, having an agreed repayment plan in place could help keep your assets safe.

As bailiffs are typically a last resort for lenders, setting up a Debt Management Plan is usually an indication that you plan to repay your debts, and should reduce the risk of legal force.



*"It's made a big difference to me and how I live."*

— Helen, Aberdeenshire

[Read Helen's story...](#)

## How long does a Debt Management Plan last?

This depends on your monthly repayment amount, interest and charges (if applicable), and your personal circumstances. The actual amount of time your Plan will last could change if your personal circumstances change.

For example, if your income increases, you could increase your payments and reduce the length of your Plan. However, if something changes and you





need to reduce your payments, this will extend the length of the Plan.

## **Can you pay off your Debt Management Plan early?**

DMPs are quite flexible, so you may find that you're able to pay it off earlier by increasing your monthly payments or paying a lump sum.

If your personal circumstances change and you find yourself coming into money, our internal Settlements Team can help you to get an early settlement figure, which could see you settle your debt for less.

## **What's the difference between a DMP and an IVA?**

Both an Individual Voluntary Arrangement (IVA) and a Debt Management Plan (DMP) are solutions for those who are struggling with unmanageable debt, both involve making reduced, affordable monthly payments to your creditors as part of an agreed plan.

The biggest difference between the two solutions is that an IVA is legally binding and a DMP is not. With an IVA, once your creditors have agreed to the terms, they won't be able to take legal action against you (such as petitioning to make you bankrupt, or other court action). They will also be unable to contact you directly – they'll need to communicate through the licensed Insolvency Practitioner (IP) who is dealing with your case. IVAs also allow you to write off some of your debt, unlike DMPs.

DMPs are not legally binding, so your creditors can still take action against you if you do not keep up with your monthly plan repayments. They are also still free to contact you, however, if you're using an FCA-regulated Debt Management company such as MoneyPlus Advice, we'll be sure to help with any creditor contact you receive.



# Can you take out credit while on a Debt Management Plan?

Taking out further credit while on a DMP would impact your monthly expenditure, and could make repayments unaffordable.

When starting a DMP, our expert Advisors will help you to set up a realistic monthly budget, which will account for all regular, day-to-day costs that are likely to pop up. We'll make sure you are left with enough money to cover all of your daily expenses, reducing the need to borrow money.

If you do need to take out a new credit agreement, the lender will run a credit check. Due to the impact on your credit file of making reduced payments, you may be charged a higher interest rate for the credit you take out, or refused credit altogether.

# Can you get car finance on a Debt Management Plan?

Whilst there are some car finance companies that accept those on DMPs, you may find that you're seen as a higher risk by most.





**Mr D. Glennon**

Verified Customer

i was using my previous company for several years and they were fantastic. They have now merged with Moneyplus. They are also fantastic. My personal debt adviser is Laura Fitzgerald who was very professional and understanding. Also other advisers who answer are just as helpful. Once Moneyplus take control of your debts all contact with your debtors stops. You are now no longer afraid of the post and can answer your phone with contentment. If you wish peace of mind and gain control of your life again i cannot recommend this company highly enough.

Manchester, United Kingdom, 1 day ago

**Anonymous**

I've been with money plus for sometime now and they are always helpful the advisor who I spoke to today called May was very helpful and informative and listen to what was said and advise me of my options and other things I didn't know about I would recommend them great service

1 day ago

**J.**

I had a call today to discuss my debt and I spoke to Arti she was absolutely lovely she made me feel very comfortable and relaxed as I was very nervous as I've been left in alot of debt by my ex. She went through all of my options, plans and afterwards I was actually smiling and I felt so much better and hopefully il be debt free in a few years. Don't be scared to talk to them as they are there to help and support you so Thank you Arti.

2 days ago

**Mr B. Squires**

Verified Customer

Omar was very helpful and professional, and explained all options very well. Please ensure this feedback finds its way back to him

Huddersfield, United Kingdom, 2 days ago

**Mrs A. Brown**

Verified Customer

... ..



Very helpful and understanding

Plymouth, United Kingdom, 3 days ago

**Mr P. Williams** 

☐ Verified Customer

They listen, solve the problem and do everything for you. They follow up and keep you advised. Head ache gone so thank you. Paul Williams

Tottenham, United Kingdom, 3 days ago

**Mr A. Haines and Mrs Sharon Haines** 

☐ Verified Customer

Very friendly and helpful and also sympathetic. Our annual review was not as daunting as we expected

Doncaster, United Kingdom, 4 days ago

**A.** 

Very friendly and professional .

4 days ago

**T. Mcclintock** 

All well explained and easy to understand. Girl on phone was very pleasant

4 days ago

**Mr I. Pointon** 

☐ Verified Customer

Excellent service 10/10

Tamworth, United Kingdom, 5 days ago

**I. pointon** 

Very helpful guidance was good helped me through the whole process without judgment in these hard times we are all going through,would highly recommend this company 10/10

5 days ago

**Mr I. Forsyth** 

☐ Verified Customer

Very pleasant phone call and very satisfied


Stockport, United Kingdom, 5 days ago

**Mr S. Hearn and Mrs Janine Hearn** 

☐ Verified Customer

Very helpful agent on end of phone didn't catch his gave me the answer to my question in seconds

Borehamwood, United Kingdom, 5 days ago

**Anonymous** 

**Excellent**



4.83 average

2,970 reviews



☐ Verified Customer

So I came across this company after struggling for years, I decided to call and spoke with Ibrahem, he was brilliant, took time to listen explain my options and get the best plan for me, there customers service was exceptional and put me at ease so much.

Banbury, United Kingdom, 5 days ago

**M. Sharon Millward** ☐☐☐☐☐

☐ Verified Customer

Always very helpful and dont make you Fraid to ask questions .. and help you as much as they cn

Sheffield, United Kingdom, 6 days ago

**Mr H. Colegate** ☐☐☐☐☐

☐ Verified Customer

always very friendly,and helpful

Bromley, United Kingdom, 1 week ago

**S. Martin** ☐☐☐☐☐

Money plus have dealt with our situation for several years, everything explained totally and help is at hand all the time, excellent company to deal with .

1 week ago

**Anonymous** ☐☐☐☐☐

☐ Verified Customer

My advisor Matt had helped me so much since starting my DMP! Thank you Matt!

Liverpool, United Kingdom, 1 week ago

**S. L** ☐☐☐☐☐

☐ Verified Customer

Happy with the service

1 week ago

**Mr D. Wassell** ☐☐☐☐☐

☐ Verified Customer

So far so good apart from one creditor sayin that you havnt been in touch

1 week ago



## How it works.

We try to make your life as easy as possible, so we do as much of the work for you as we can. If you qualify here's what happens when you get in touch:

### **Speak to us.**

Tell us about your finances and the debts you're having problems with.

### **Find a solution.**

Based on your circumstances we'll build a plan to get you out of debt, whether that's with us, or not.

### **Choose your plan.**

We'll either contact your creditors and tell them you're with MoneyPlus, or make sure that you know who can help.

Check if you qualify



## **Are you struggling with debt?**

There are always solutions, no matter what your situation.

Find your solution

## **Alternative debt solutions that can help**

There are a number of debt solutions available and you can find more information on all of the below solutions on our website.



## Individual Voluntary Arrangement (IVA)

An Individual Voluntary Arrangement (IVA) is a form of insolvency that allows you to write off up to 80% of your debt as an alternative to bankruptcy. It's a formal solution that can reduce your monthly repayments.

IVA

## Debt Relief Order (DRO)

A DRO is an alternative to bankruptcy for people with debts of less than £30,000 (£20,000 in Northern Ireland) and less than £75 a month in disposable income.

Debt Relief Order

## Protected Trust Deed

A formal debt solution, for residents of Scotland, that's intended to remove the pressure of unmanageable debts, by combining them into a single monthly payment.

Protected Trust Deed

## Debt Consolidation Loan

Pay off all of your unsecured debts with one debt consolidation loan and make one monthly payment, rather than multiple payments to creditors.





For free and impartial money advice and guidance, visit [MoneyHelper](#).

Contact us

## Still unsure or want to know more?

That's where our advisors come in, our expert debt advice team can help you find a solution that works for you.

At MoneyPlus we understand that every financial situation is different, and approach every customer with the care and individuality that they deserve.

So, get in touch today and start living better with MoneyPlus Advice.

Contact us

### Quick Search

Search





To find out more about managing your debt and receiving free debt advice visit [www.moneyhelper.org.uk](http://www.moneyhelper.org.uk) or read [Options for paying off your debt](#).

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Applying for loans and credit with a Debt Management Plan

Can you take out credit while on a Debt Management Plan?

Can you get car finance on a Debt Management Plan?

## Are you **struggling with debt?**

There are always solutions, no matter what your situation.

Find a solution

Our customers say **Excellent**



**4.83** out of 5 based on **2970** reviews



## Helpful

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[Disposable Income Calculator](#)

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[MoneyPlus Group](#)

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[MoneyPlus Legal](#)

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[Careers](#)

## Contact Us

### New enquiries – 0161 837 4754

Monday – Thursday

08:30 – 20:00

Friday 08:00 – 13:00

Weekends: Closed

### Customer services – 0161 837 4000

Monday – Thursday

08:00 – 19:00

Friday 08:00 – 16:00

Weekends: Closed

Bank holidays:  
Closed

To find out more about managing your debt and  
receiving free debt advice visit  
[https://www.moneyhelper.org.uk/en/money-troubles/dealing-with-debt/use-our-debt-advice-](https://www.moneyhelper.org.uk/en/money-troubles/dealing-with-debt/use-our-debt-advice-locator)

[locator](#) or read [Options for paying off your debt](#). **Further Information** The insolvency service has produced a guide for people who are struggling with debt. For residents of Scotland, the Scottish government have created the Debtors Advice Guide. For residents of Northern Ireland, you can read the government's [Advice on managing debt](#).

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