**What is a debt management plan?**

A debt management plan helps you to manage your debts and pay them off at a more affordable rate by making reduced monthly payments.

**Is a debt management plan right for you?**

A debt management plan may be a suitable debt solution if you have some surplus money available each month once you’ve paid your priority costs such as rent or mortgage, food, accommodation and utility bills.

**How can you set up a debt management plan?**

You can set up a debt management plan with a debt agent who is qualified to do it. Some company charge you for it, some are free.

**What are the benefits of a debt management plan?**

* You’ll only pay what you can afford to your creditors after your agent put together a monthly household budget
* If you’ve fallen behind with your household bills you can add the arrears to your DMP to help get your accounts back up to date. You'll still need to make your regular ongoing monthly payments.
* You'll make one monthly payment to us and your agent the payments to your creditors for you
* Your agent can and should review your DMP regularly to make sure you’re paying what you can afford

**What are the risks of a debt management plan?**

* Some of your creditors may still contact you
* Most creditors will agree to reduce or stop interest and charges, but they don’t have to
* If creditors continue adding interest and charges, this could increase the total amount you currently owe
* Your creditors don’t have to agree to your reduced payments, but we’ll still send your payments anyway
* Your creditors may still take further court action against you, such as a County Court judgment (CCJ)
* Reduced payments may lead to a longer arrangement term and could have a negative impact on your credit file

**What is the cost of a debt management plan?**

Some companies will charge:

- a set up fee

- a handling fee each time you make a payment

**Who is eligible for a debt management plan?**

Debt Management Plans can only be used to pay {unsecured debts}, for example debts that have not been guaranteed against your property.