

Information Sheet for Defendants

This information sheet is provided in accordance with the Pre-Action Protocol for Debt Claims

You Have Received a Letter Before Claim

The person or organisation claiming money from you (the "claimant") has sent you a **Letter Before Claim**. This is a formal legal letter that must be sent before starting court proceedings for a debt.

This information sheet explains:

- What the letter means;
 - What you should do next;
 - Where to get free help and advice;
 - What will happen if you do nothing.
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What Does the Letter Before Claim Mean?

The claimant believes you owe them money. They have written to you to:

- Tell you how much they say you owe;
- Explain what the debt is for;
- Give you a chance to pay or make a payment arrangement;
- Warn you that they may start court proceedings if you do not respond.

This is a serious letter. If you ignore it, the claimant may issue a court claim against you.

What Should You Do Now?

Option 1: Pay the Debt in Full

If you agree that you owe the money and can afford to pay it, you should pay the full amount within 30 days. The Letter Before Claim tells you how to pay.

If you pay in full, the claimant should not take you to court.

Option 2: Arrange a Payment Plan

If you cannot pay the full amount but can make regular payments, you may be able to agree a payment plan with the claimant. You must:

- Contact the claimant within 30 days;
- Explain your financial situation;
- Propose a realistic payment plan;
- Complete the Financial Statement Form (enclosed) to show your income and outgoings.

The claimant does not have to accept your offer, but they must consider it.

Option 3: Dispute the Debt

If you do not believe you owe the money, or if you think the amount is wrong, you should:

- Complete the Reply Form (enclosed) within 30 days;
- Explain why you dispute the debt;
- Provide any evidence you have (e.g., bank statements, receipts);
- Send the form to the claimant.

If you dispute the debt, the claimant may still take you to court. You will then have a chance to defend the claim.

Option 4: Get Free Debt Advice

If you are not sure what to do, **get free, independent advice** from a debt charity. They can:

- Help you understand the letter;
- Check whether the debt is correct;
- Work out what you can afford to pay;
- Contact the claimant on your behalf;
- Help you negotiate a payment plan.

Free debt advice services:

- **Citizens Advice:** 0800 144 8848 or www.citizensadvice.org.uk
- **StepChange Debt Charity:** 0800 138 1111 or www.stepchange.org
- **National Debtline:** 0808 808 4000 or www.nationaldebtline.org

- **MoneyHelper:** 0800 138 7777 or www.moneyhelper.org.uk

These services are completely free and confidential. You do not need to give your name if you do not want to.

What Happens If You Do Nothing?

If you do not respond to the Letter Before Claim within 30 days, the claimant may start court proceedings. This means:

1. **You will receive a court claim form.** This will be sent by the court (not the claimant).
2. **You will have to pay extra costs.** The claimant can add court fees and legal costs to the amount you owe.
3. **A judgment may be entered against you.** If you do not defend the claim, the court will automatically order you to pay.
4. **Your credit rating will be damaged.** A County Court Judgment (CCJ) stays on your credit file for six years, making it harder to get loans, mortgages, or credit cards.
5. **The claimant can enforce the judgment.** This means they can:
 - Send bailiffs to take your belongings;
 - Take money directly from your wages (attachment of earnings);
 - Freeze your bank account;
 - Put a charge on your home (if you own property).

It is much better to deal with the debt now than to ignore it.

What If I Cannot Afford to Pay?

If you cannot afford to pay the debt, **do not ignore the letter**. You should:

- Contact a free debt advice charity (see above);
- Complete the Financial Statement Form to show your income and outgoings;
- Offer to pay what you can afford (even if it is a small amount);
- Explain your situation to the claimant.

If you genuinely cannot afford to pay anything, a debt adviser can help you explore other options, such as:

- Applying for a Debt Relief Order (DRO);
- Entering into an Individual Voluntary Arrangement (IVA);
- Considering bankruptcy (only as a last resort).

The worst thing you can do is ignore the problem.

What If the Debt Is Not Mine?

If you do not recognise the debt, or if you believe it is a mistake or fraud, you should:

- Contact the claimant immediately and explain;
 - Complete the Reply Form and state that you dispute the debt;
 - Provide any evidence (e.g., proof that you did not live at the property, bank statements showing you paid);
 - Consider reporting it to Action Fraud (0300 123 2040) if you think it is fraudulent.
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Important Legal Rights

Time Limits

In most cases, a creditor can only take you to court for a debt within **six years** of the debt arising (or from your last payment, whichever is later). If the debt is older than six years, it may be "statute-barred" and you may have a defence.

Get legal advice if you think the debt is statute-barred.

Vulnerable Circumstances

If you are in a vulnerable situation (e.g., mental health problems, serious illness, recent bereavement), tell the claimant. They must take this into account and may agree to pause proceedings.

Contact a debt advice charity if you need help explaining your situation.

Summary: What to Do Next

| If you... | Then you should... |
|--|---|
| Agree you owe the money and can pay in full | Pay the full amount within 30 days |
| Agree you owe the money but cannot pay in full | Contact the claimant to arrange a payment plan |
| Dispute the debt or think the amount is wrong | Complete the Reply Form and explain why |
| Are not sure what to do | Get free debt advice immediately |
| Ignore this letter | Expect court proceedings and extra costs |

Where to Get Help

- **Citizens Advice:** 0800 144 8848 or www.citizensadvice.org.uk

- **StepChange Debt Charity:** 0800 138 1111 or www.stepchange.org
- **National Debtline:** 0808 808 4000 or www.nationaldebtline.org
- **MoneyHelper:** 0800 138 7777 or www.moneyhelper.org.uk

All of these services are free, independent and confidential.

This information sheet is provided for guidance only and does not constitute legal advice. If you need legal advice, contact a solicitor or visit your local Citizens Advice bureau.