

# DFH



- ★★★★★ "Great service"
- ★★★★★ "Fantastic friendly staff"
- ★★★★★ "Perfect Service"
- ★★★★★ "Great service and advice"
- ★★★★★ "So understanding and friendly"

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**PUTTING YOU BACK IN CONTROL**  
take action – manage your debt

## Frequently Asked Questions

## 1. What should I do if my creditors contact me?

Contact from your creditors is normal but can sometimes seem very harsh. Try not to worry and forward all mail to us as soon as possible in the freepost envelopes provided. We will action your mail as we deem necessary on your behalf.

If your creditors contact you by telephone the following is a list of information you should provide them with:

- Tell them DFH are looking after your accounts
- Give them your DFH 6 digit reference
- Request that your account is put on hold for a minimum of 30 days
- Advise them that DFH will be sending correspondence within this timescale.

## 2. How do I make payments?

As agreed your 1st payment will be made by debit card, bank transfer or GIRO payment. The easiest way to make your monthly payments is by monthly or weekly Standing Order. A Standing Order puts you in control of your payment – it is an instruction for your bank to send us money on a regular basis decided by you. If you have any issues concerning your Standing Order you will need to contact your bank directly to resolve them as we will not have authority on that account. If you are unable to set up a Standing Order, other methods of payment you can use are:

- Debit card payment over the telephone
- GIRO credit by cash at the bank (please ask for some GIRO credit slips)
- Cheque or Postal Order by post to the office
- Bank transfer
- Cash by registered post.

Our bank details for your Standing Order if you don't already have them are:

**Sort Code:** 161211  
**Account Number:** 10175452  
**Account Name:** Bridgewater  
(DFH Client 1)  
**Bank Details:** Royal Bank of Scotland,  
4 The Downs,  
Altrincham,  
Cheshire,  
WA14 2PY

## 3. What do I send to you?

Complete & sign where applicable step 1, 2 & 3 and return in your green envelope provided. If you are waiting on new bank details send step 3 once you have received these. Please send us any creditor correspondence you have relating to your accounts.

Please send us your most recent wage slip. If you don't have this now please send it to us as soon as you receive it.

## 4. Will you be dealing with all of my debts?

We will not be dealing with your "priority" payments i.e. mortgage, rent, council tax, utilities, court fines, secured loans, hire purchase agreements, income tax, or child support payments. When we assess your financial situation we make sure that you have suitable allowances so that you can maintain these payments directly.

We deal with all of your unsecured debts and non-priority debts such as credit cards, catalogue debts, unsecured loans, overdrafts etc. It is very important that you continue to pay your priority payments including any arrears already incurred, as failure to do so may result in a loss of access to these goods and/or repossession.

## 5. What happens if my circumstances change?

Please call our customer service team and they will do a financial review taking into account any change in circumstances. If your income has reduced or expenses increased and therefore the monthly payment may need to decrease, we will put your case forward to the creditors. If your income has increased or you have come into some money then we can negotiate with the creditors to get you debt free even quicker. There is no fixed term to your debt management plan so it is flexible to your personal circumstances.

## 6. Refer a Friend

As many of our clients come to us recommended by satisfied friends and family, as a small way of saying thank you we offer £50 for each new accepted client introduced by you.

## **7. Does debt management affect my credit rating?**

If you have already missed payments it is likely your creditors have recorded the information on your credit file. Your ability to obtain credit will be affected in the short term and may be affected in the medium to long term. However, it is very important that you do not take out credit while you are on the debt management plan as this could affect arrangements already in place. (Repaying debt over a longer period of time can increase the total amount of debt owed).

Due to reduced payments to your creditors there is a likelihood of falling into arrears or increasing arrears.

Debt recovery actions, including the issue of default notices and instigation of legal proceedings can ensue and these may lead to you incurring further costs.

## **8. Your monthly payments**

All monthly payments are paid into a "client account" and distributions to your creditors will be made within 5 working days from cleared funds. Due to our strong relationships with creditors over 90% of payments to them are made by BACS ensuring that your payments reach them as soon as possible.

## **9. Why do I have to change bank accounts?**

If you have a current account with a company you owe money to, you will be required to open a new bank account. Banks have the right to "offset" any funds in your current account that could be used to pay another debt with the bank. We wouldn't account for that in your debt management plan so we advise for you to switch to a new current account with a new bank.

A lot of creditors are now linked to each other, for example Halifax & Bank of Scotland or NatWest & RBS, so the right to "offset" extends further these days but we are here to help you choose a new bank.

If you have payday loans, it is essential that you change bank accounts as you have provided those companies with permission to take funds from your bank account when you signed up for the loan. Cancelling your debit card will not stop funds being taken out by those companies; your bank will honour those payments. We do have a very good relationship with most payday loan companies; however we cannot guarantee that we will be able to recover any funds taken from your bank account after you have started your debt management plan. By choosing a debt management plan, you have decided to take control of your finances. By opening a new bank account you are giving yourself a fresh start

and every chance of clearing your unsecured debt in the quickest time possible. You may think that changing bank account is difficult and time consuming but once again, we are here to help you. All major banks have quick and easy switching services and will transfer all your regular payments (Direct Debits & Standing Orders) automatically.

## **10. Will the creditors accept the arrangements?**

DFH have excellent relationships with creditors which have been built over several years working closely with them on a day to day basis. We will negotiate with them to accept new lower monthly payments and to stop interest and charges however; they are not obliged to do this.

During the negotiation process and as a result of reduced payments some creditors may still continue to charge interest and recovery charges and we cannot always prevent these however they will be paid off as part of the plan. Some creditors may also apply the interest to your account before you begin repaying the debt, depending on the agreement you signed with them. This is known as "front loading" interest and may increase the balance you think you owe as a result. We will include any "front loaded" interest in the overall balance when negotiating with your creditors.

## **11. How long will the debt management plan last?**

This will depend on your personal circumstances. You will have been given an estimated timescale on the initial call and based upon the information you gave at that time, this will also have been detailed in your "action pack".

The debt management plan is flexible so if you feel you can increase your monthly payment, this will pay off your debts quicker, if you are struggling and need to reduce payments this will increase the time you will be on the plan.

Although the plan is flexible around your circumstances, we do not recommend increasing and decreasing your payments for short periods of time i.e. one or two months at a time, you should repay an amount that is affordable to you based on your income and expenditure.

## 12. What do the fees cover? (As from February 2015)

There is an Initial Fee of up to £33 per month from your first six Monthly Payments to the Debt Management Plan. This is in addition to the Monthly Management Charge, however your fees will never exceed 50% of any Monthly Payment to the Debt Management Plan, so this may be reduced. There is a monthly management charge which is a set amount of £23.50 per month plus £4.50 per debt (£100 maximum). This charge is made on distribution to creditors starting from month one. The total charges will never exceed 50% of your monthly payment.

As a company we pride ourselves on being open and honest about our fees and services. The fees shown include all services regarding bank transfers, reviews of the plan and any variations to the plan. Your monthly management fee pays for all of the ongoing work needed to make your plan succeed, including:

- Agreeing a personal monthly budget with you and creating an income and expenditure statement.
- Calculating your reduced monthly payments; negotiating with each of your lenders to agree to the reduced payment plan and requesting that they freeze interest and charges.
- Administration and preparation of your monthly payment plan.
- Setting up of repayment schedules with each of the lenders
- Distributing payments to each of your creditors
- Priority Debt Team, specialising in managing pre-court legal issues.

- Support and advice regarding any correspondence i.e. emails, phone calls, letters, and advising you of what creditors can or can't do.
- Conducting annual reviews to make sure you are happy with the plan and ensuring any creditors agreements remain in place.
- Conducting reviews if you have a change in circumstance and ensuring the monthly payment is affordable to you.

## 13. Am I getting a loan?

A debt management plan is not a loan; it is a debt repayment plan that allows you to repay your unsecured debt at a rate you can afford without taking out further credit.

## 14. Why should I use DFH?

We have thousands of clients who choose to stay with DFH month after month, year after year when they are free to leave at any time if they were not satisfied with the service or benefits they were receiving. We have a skilled and highly trained customer service department which is instant help at hand to you – if it's CCJs, bailiffs or just general creditor communication we can deal with it and help you. We have experienced relationships with many creditors and in most cases we successfully negotiate interest and charges frozen or adjusted.

### Useful and recommended research:

For free downloadable guides for how to deal with debt please go to our website:

[www.dfh.co.uk/downloadableguides](http://www.dfh.co.uk/downloadableguides)

[www.adviceguide.org.uk/england/debt\\_e/debt\\_help\\_with\\_debt\\_e.htm](http://www.adviceguide.org.uk/england/debt_e/debt_help_with_debt_e.htm)

You can find impartial free debt advice from

[www.moneyadviceservice.org.uk](http://www.moneyadviceservice.org.uk)

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