

DMP or IVA?

We'll help you decide if a Debt Management Plan or an Individual Voluntary Arrangement is right for you



DEBT
PLANS

BUDGETING

LIFESTYLE

MONEY
ADVICE

PayPlan™
live again

START **LIVING AGAIN**



WELCOME TO PAYPLAN

At PayPlan, we understand the unsettling effect that living with debt can have on your life, but we're here to help. We're impartial, non-judgemental and committed to finding a debt solution that's right for you.

As one of the UK's leading providers of debt management solutions, we offer a refreshing new approach to helping you manage your debt, whilst enabling you to regain control of your money and ultimately your life.

We've spent over 20 years providing a range of practical, long-term solutions that not only help people deal with their debt, but also get on with living their life.

We offer a wide variety of debt solutions and two of our most popular ones are a Debt Management Plan (DMP) and an Individual Voluntary Arrangement (IVA). These offer two very different approaches to tackling your debt.

A **Debt Management Plan** is an informal arrangement that could be right for you if you owe more than £5,000 in unsecured debt and would benefit from being more flexible with your payments. This easy-to-understand plan allows you to repay your debts in full, at a realistic rate that you can afford.

An **Individual Voluntary Arrangement** is a more formal agreement for people who typically owe more than £7,000. It can be tailored to your specific needs and will help you repay your debt in an easy-to-manage, affordable way. With an IVA, you repay a proportion of your debt and the rest may be written off.

Whatever your circumstances, we'll do our best to help you find the right debt solution for you, your life and your debt.



DMP'S MADE CLEAR



One of the most worrying aspects of being in debt is dealing with the demands and threats from your creditors – the people you owe money to. By taking advantage of a free Debt Management Plan from PayPlan, we can help alleviate the worry by dealing with your creditors for you, leaving you to focus on repaying your debt at a rate you can afford, over a manageable period of time.

Unlike most other debt management companies, PayPlan doesn't charge for setting up and handling debt management plans. So you won't be liable for an initial set-up fee or on-going monthly fees. Instead, all of your regular payments go towards repaying your debt – which could mean that you can repay your debt even quicker.

IS A DEBT MANAGEMENT PLAN RIGHT FOR ME?

A DMP is an informal agreement between you and your creditors whereby you agree to repay your debt in reduced, more affordable payments over an extended period of time.

It could be the ideal solution if you have more than £5,000 in unsecured debt and are struggling to keep up the repayments. With only one regular payment to make, there's a good possibility interest and charges can be frozen and no fees will be taken out.

Ultimately, our aim is to help you repay your debt as quickly as you can, re-gain control of your finances, and restore your peace of mind and well-being.



A B C

WHAT TO EXPECT WITH A DMP

SINGLE, AFFORDABLE, REGULAR PAYMENTS

You'll make just one payment every week, or month, at the most convenient time for you – for many of our clients it's right after they have been paid. We then use this payment to pay all of your creditors.

CONVENIENT ONLINE TRACKING

You can check the progress of your plan at any time on PAYPLAN PLUS. This free online service enables you to keep tabs on your repayments, the amount that has already been paid to all of your creditors and gives an indication of when your debt will be repaid in full.

FREEZING OF INTEREST AND CHARGES

Although we cannot guarantee to get interest and charges frozen in all cases, we will do our very best for you. Thanks to our excellent reputation within the credit industry, we are often able to negotiate with creditors.

FRIENDLY EXPERIENCED STAFF

Whenever you call, you'll always be welcomed by our friendly, fully trained advisers. You'll find them completely understanding of your situation and happy to assist you in any way. They'll be there to help you set up your plan, be on hand during your repayment period and available to offer advice and support after you've made your final payment.

AN IVA EXPLAINED

With an IVA you make a formal agreement with your creditors (the people you owe money to), to repay a percentage of your debt in affordable monthly payments over a fixed term – typically around five years. And, as long as you keep to your payment schedule and terms and conditions, your creditors agree to write off any outstanding unsecured debt upon successful completion of your IVA.

Depending on your individual circumstances, an IVA could settle a significant proportion of an unsecured debt and should put an end to further threats from your creditors.


However, should your circumstances change significantly during your payment schedule – for example you receive a large sum of money through inheritance, PPI compensation or other windfall – you would be expected to repay the total amount off in full, along with our fees and statutory interest.

IS AN IVA RIGHT FOR ME?

If you have an unsecured debt of £7,000 or more, an IVA could be the right choice for you. It's a practical solution that helps you to manage your debt with far less worry or despair.

As an IVA is a legally binding agreement between you and your creditors, there's no chance of any nasty surprises along the way. So, if your circumstances don't change, the payment figure that you agree at the start will remain constant over the whole payment term and you won't be liable for any additional interest or charges. And then, as long as you have kept to your agreed payment schedule and complied with all terms and conditions, the remainder of your unsecured debt will be written off upon successful completion of your IVA.

An IVA is not available in Scotland, however we do offer a range of different debt management solutions that are determined by Scottish law. Contact our team of debt advisers who can refer you to our Scottish debt specialists.



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THE BENEFITS OF AN IVA

IT'S AFFORDABLE

All of your unsecured debts and fees will be combined together meaning you pay just one single, lower payment each month. Interest rates and charges are frozen, so unless your circumstances change during your agreement term, you won't encounter any additions or hidden charges.

EASY TO SET UP

You won't be alone. Your assigned personal debt adviser will help you every step of the way – from initial application to offering advice and support throughout your repayment term. And with an approval rate of 96%, you can be confident that we'll soon have your agreement set up allowing you to start planning for a better future.

NO MORE DEMANDS

An IVA is a legally binding agreement between you and your creditors. Once the IVA is approved, you make a commitment to pay a fixed monthly sum and by law they cannot add further interest charges or demand changes to the arrangement. So you can rest assured that you'll be free from any more threatening phone calls, letters and emails.

NO UPFRONT FEES

Unlike most other debt management companies, PayPlan doesn't charge any upfront fees for IVAs. This is all thanks to the unique relationship that we have with the credit industry.

PEACE OF MIND

When you successfully complete your IVA, the balance of your debt will be written off, with no more threats or demands and no supplementary charges, leaving you free to get on with enjoying life again.

WHAT'S THE DIFFERENCE?

A DEBT MANAGEMENT PLAN

TO QUALIFY FOR A DMP YOU MUST:

- Have unsecured debts of over £5,000
- Have two or more creditors
- Have a regular income
- Be struggling to meet your monthly payments.

NOW FOR THE 'SMALL PRINT'

As a PayPlan client, it's important you understand all aspects of the debt solutions we offer. So before committing to a DMP, you must be aware that failure to keep to your pre-agreed repayment terms will result in your plan being cancelled. And, although your repayments may be lower, your repayment term could be longer and the total amount payable higher.

Like the majority of debt solutions, entering a Debt Management Plan will affect your credit rating and as they are not legally binding agreements, your creditors do not have to accept the proposal.

AN INDIVIDUAL VOLUNTARY ARRANGEMENT

TO QUALIFY FOR AN IVA YOU MUST:

- Be insolvent (unable to pay your debts)
- Have debts of £7,000 or more
- Have two or more creditors
- Have a monthly surplus of £50 or more.

NOW FOR THE 'SMALL PRINT'

At PayPlan, we always ensure our clients fully understand the solutions that they choose. So, before entering into an IVA, you must be aware of your obligations.

For instance, failure to maintain your agreed payment amounts, or not complying with all the terms and conditions, could result in the failure of your IVA, after which, creditors could petition for your bankruptcy. In some cases, creditors may not approve an IVA meaning you will need to consider a different, more restrictive debt solution.

Furthermore, by entering into an IVA you will be entered onto a public register and as a consequence, your credit rating will be impaired. There will be restrictions on your expenditure and you would be required to repay your debt, and associated costs, in full should your financial circumstances change to allow it.

If you're a homeowner, you may be required to release equity from your property to pay off your debt. You should be aware that any re-mortgaging could attract higher interest rates than your current mortgage, and should a mortgage not be available to you, your IVA may be extended by a further 12 months.

Within your IVA, your single monthly payment may be lower than your current creditor payments, but your payment term could be longer – typically around five years. This will depend on the percentage of your debt repayment that your creditors are willing to accept and the length of your current creditor agreements. And remember, it's only unsecured debts that can be included within an IVA, and some of your creditors may refuse the proposed terms.

LOOK TO THE **FUTURE**



A DMP OR IVA MIGHT NOT BE YOUR ONLY OPTION

Although we're more than happy to help you set up and work through a structured DMP or IVA debt plan, they might not be the only solutions available to you. At PayPlan we take stock of your financial situation and explore all the options available to help you find the one that's most suitable for you.

We may see that you can release equity from your property, for instance, or it may simply be that you need help on budgeting for your day-to-day expenditure, or advice on how to cut the cost of your essentials.

Whatever advice we give, you can be confident that PayPlan will only recommend what we feel could be right for you – a solution that gives you the most realistic chance of taking control of your debt and helping you to live again.

TAKE POSITIVE STEPS – CONTACT US TODAY

As one of the UK's leading providers of debt management solutions, we've spent over 20 years successfully helping more than a million people to manage their debts. We've given them the chance to plan for the future with renewed hope. Not just of controlling their debt, but of living a happy life.

If you think that a PayPlan DMP or IVA could be the right solution for you, or you would like to talk about any of our other debt solutions, call us now in complete confidence. Our team of fully trained advisers will talk to you about you, your life, your debt and your aspirations. We'll never tell you what to do but we'll certainly offer you our opinions, share our own experiences and help you every step of the way.

By choosing PayPlan you can be sure you'll receive sound, informed advice and all the support you'll need, because the sooner you are in control of your debt, the sooner you can start enjoying life again.

LET'S TALK

Call us free on **0800 009 4146**

Mobile calls may be cheaper on **0208 626 7905**

We're open 8am – 9pm weekdays and 9am – 3pm Saturdays

Email our advisers, advice@payplan.com

payplan.com/police

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