**Debts and Consequences**

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| **PRIORITY DEBTS** | **Consequences** |
| Electricity, gas and oil | * you could be cut off
* you may have to have a pre-payment meter
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| Rent, secured loan or mortgage | * you could lose your home
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| TV licence | * court fine of up to a £1000
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| Council tax | * money can be taken from your benefits or wages
* a bailiff/sheriff officer/court appointed enforcement officer can be sent to take your things and sell them to pay off the debt
* you could be sent to prison (not in Scotland)
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| Court fines | * money can be taken from your benefits or wages
* a bailiff/sheriff officer/court appointed enforcement officer can be sent to take your things and sell them to pay off the debt
* you could be sent to prison
 |
| Income Tax and VAT | * HMRC can seize goods
* Prison
 |
| National Insurance | * Class 4 contributions for self employed earners are treated as a priority as assessed and collected along with unpaid income tax
* Court fine
 |
| Hire purchase, conditional sale and bill of sale | * Has power to repossess goods that could be essential for client
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| Child maintenance | * money can be taken from your benefits or wages
* a bailiff/sheriff officer/court appointed enforcement officer can be sent to take your things and sell them to pay off the debt
* CSA can apply to have your driving licence taken off you
* you could be sent to prison
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| **NON PRIORITY DEBTS** | **Consequences** |
| Catalogue, credit & store card, loans, overdraft, doorstep lender , payday loans, water | * you may be taken to court and ordered to repay the money
* your credit rating may go down
* the amount you owe may go up a lot because of the interest charged
 |
| Family and friends | * you may be taken to court and ordered to repay the money
* your credit rating may go down
 |
| Loan sharks\* | * you may be threatened
 |
| Pawnbroker\* | * you may lose your goods
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| mobile phone and landline | * your phone may be cut off
* you may be taken to court and ordered to repay the money
* your credit rating may go down making it harder for you to borrow money in the future
* the amount you owe may go up a lot because of the interest charged
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| Some parking penalties | * you may be taken to court and ordered to repay the money
* your credit rating may go down
* the amount you owe may go up a lot because of the interest charged
 |
| Hire purchase, conditional Loan or bill of sale\* | * If the goods have already been repossessed or client no longer has them client may be taken to court to repay the money
* your credit rating may go down
* the amount you owe may go up a lot because of the interest charged
 |
| Childcare or nursery fees\* | * Care may be terminated due to non payment (check terms and conditions of childcare contract)
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| Student Loans | * Can deduct from tax code but clients can defer if earnings below 85% of average wage
* you may be taken to court and ordered to repay the money
* your credit rating may go down

the amount you owe may go up a lot because of the interest charged |
| Benefits overpayment and social fund loan \* | * money can be taken from your benefits
* If not in receipt of benefit client may be taken to court to repay the money
* your credit rating may go down
* the amount you owe may go up a lot because of the interest charged
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\*Could also be priority debt if person risks the loss of their liberty, essential services or goods