**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 |
| Rent, secured loan or mortgage | * you could lose your home |
| TV licence | * court fine of up to a £1000 |
| 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) |
| 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 |
| 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 |
| **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 |
| 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 |
| 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) |
| 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 |

\*Could also be priority debt if person risks the loss of their liberty, essential services or goods