



ASK US

Advice toolkit

MYTH BUSTING FOR YOUNG PEOPLE

If I'm in debt, will my name be added to a centralised 'credit blacklist'?

Myth! If you are in debt, your name will not be added to a central 'credit blacklist'. No list exists, Credit reference agencies hold only factual information about you. Creditors use this information to help them decide whether to lend you money.

I've been told because I owe so much on my overdraft and can't pay it back I can't get another bank account. This is causing me problems as I need to have my Universal Credit paid somewhere.

Myth! The overdraft becomes a debt and a creditor you owe money to. You can go to any high street bank and open a Basic bank account. These are bank accounts that have no overdraft or credit facilities.

I can be sent to prison for not being able to pay my debts

Myth! Having debts is not a criminal offence. You can only be sent to prison for having debts in very specific and unusual circumstances. This is usually as a last resort for a magistrate' court fine if you continue to refuse to pay or had the funds to pay the debt but did not do so.

I've got no paperwork relating to my debts so I can't get debt advice

Myth! Although it is easier to know who and where you have debts, a trained debt adviser/debt specialist will always do a credit reference check. This will provide you with the details of your creditors and allow you to move forward with your next steps.

Bailiffs can force their way into my property?

Myth! The bailiff might say you have to pay them on the doorstep or you have to let them in - you don't. They aren't allowed to force their way into your home and they can't bring a locksmith to help them get in.

They'll normally leave if you refuse to let them in - but they'll be back if you don't arrange to pay your debt. It's important to do this as quickly as you can, otherwise the bailiffs can add fees to your debt. It's important to seek debt advice as soon as possible.

Most bailiffs (including those collecting on county court and high court judgments, council tax debts, child maintenance debt and penalty charge notices) cannot force their way into your home, unless:

- you have let them in on a previous visit
- they took control of your goods, and
- you have broken any agreement you made with them.



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Magistrates' court bailiffs can force entry to your home, but only if it is reasonable to do so. This rarely happens. Bailiffs are not debt collectors.

Debt collectors don't have to follow any formal process like court appointed bailiffs however a debt collector can:

- Visit you at your home
- Speak to you about your debt and try to set up a payment arrangement
- Ask you to make payment to them

Debt collectors can't:

- Visit you at your workplace
- Speak to your neighbours, family or flatmates about your debt
- Force entry into your house or
- Refuse to leave when you tell them to
- Take any of your personal belongings or clamp your car/motorbike
- Pretend they're a bailiff or enforcement agent - this is a criminal offence
- Act in a threatening or intimidating way, or cause a disturbance