



How to keep your finances on track

Take control of your finances, one step at a time

Money worries can affect any of us, at any time. If they're affecting you, it's time to stop worrying and start taking control. And we're here to help.

This guide offers a simple, no-nonsense look at the steps you can take right now. From assessing your current situation to outlining the help available, we tell it like it is (and that includes the information on page 14 about what could happen if you do nothing).

Above all, don't panic. Like most things in life, managing your money is easiest when you take it one step at a time. So where do you start?

Where to start

Take stock of your current financial situation. A few simple steps can help you get a handle on where the trouble lies.

Decide whether you are going to use weekly or monthly amounts and then make sure you use the same one all the way through. If you need to 'translate' any weekly amounts into monthly, then multiply the amount by 52 then divide by 12, or for monthly to weekly, multiply by 12 and then divide by 52.

The first step is to figure out your total income.

Income	Weekly/Monthly amount
Take-home pay (wages/salary minus tax and National Insurance)	£ _____
Partner's take-home pay	£ _____
Jobseeker's allowance	£ _____
Income support or pension credit	£ _____
Tax credit	£ _____
Pension	£ _____
Child benefit	£ _____
Incapacity benefit	£ _____
Maintenance/Child support	£ _____
Non-dependants' contributions	£ _____
Other	£ _____
	£ _____
	£ _____
Total income ('A')	£ _____

Calculate your outgoings

Step 2 is to work out all the things you have to spend money on. The table here shows the things you have to pay.

Outgoings	Weekly/Monthly payment
Mortgage	£ _____
Mortgage endowment policy	£ _____
Second mortgage	£ _____
Rent	£ _____
Council tax	£ _____
Water rates	£ _____
Ground rent/service charge	£ _____
Buildings and contents insurance	£ _____
Life insurance/pension contribution	£ _____
Gas	£ _____
Electricity	£ _____
Housekeeping (groceries, cleaning products etc)	£ _____
TV rental and licence	£ _____
Telephone and mobile	£ _____
Magistrates' court fines	£ _____
Maintenance payments	£ _____
Hire purchase – car	£ _____
Travel costs (bus and train tickets; petrol/diesel, car insurance, road tax, MOT and repairs)	£ _____
School meals and meals at work	£ _____
Clothes	£ _____
Laundry	£ _____
Prescriptions/Health costs	£ _____
Childcare	£ _____
Other	£ _____
	£ _____
	£ _____
Total outgoings ('B')	£ _____

Money-saving tip: Have a think about what you can cut back on – by cutting out little luxuries such as cigarettes, magazines or that large latte every morning, by taking a packed lunch to work rather than buying a sandwich every day, by reducing the number of channels on your television package, you could save yourself quite a bit of money over the course of a year that could help you clear your debts sooner.

Calculate your outgoings

The next step is to see how much money you have left from your income after your outgoings – this is the money you will have left to start tackling your debts – ‘money for creditors’ (‘C’).

Income (‘A’)	A - £ _____
minus Outgoings (‘B’) =	minus B - £ _____
	=
money to repay debts (‘C’)	C - £ _____

You should use the money you have left to pay your debts (‘C’) to repay your priority debts first. Step 4 is to list out what these are and how much has to be repaid in the table here.

Priority debts	Amount owed	Weekly/monthly offer of repayment
Mortgage arrears	£ _____	£ _____
Arrears on any other loan secured on your property	£ _____	£ _____
Rent arrears	£ _____	£ _____
Council tax arrears	£ _____	£ _____
Fuel debts:		
Gas	£ _____	£ _____
Electricity	£ _____	£ _____
Other	£ _____	£ _____
Magistrates’ court fine arrears	£ _____	£ _____
Child maintenance arrears	£ _____	£ _____
Hire-purchase arrears	£ _____	£ _____
Other	£ _____	£ _____
	£ _____	£ _____
Total priority debts repayment (‘D’)	£ _____	£ _____

Calculate your outgoings

The final step is to calculate how much you have left after paying your priority debts to make inroads into any other debts you may have such as credit and store cards and any unsecured loans.

Money for creditors ('C') minus	C - £ _____ minus
money for priority debts ('D')	D - £ _____
= money to repay	=
other debts ('E')	E - £ _____

Make a list of any other debts you may have here and, using amount 'E', see how much you can afford to repay each month.

Debt (eg. credit or store cards, personal loans)	Balance owed	Monthly offer of repayment
1. _____	£ _____	£ _____
2. _____	£ _____	£ _____
3. _____	£ _____	£ _____
4. _____	£ _____	£ _____
5. _____	£ _____	£ _____
6. _____	£ _____	£ _____
	Total owed	Total to pay per month ('E')
	£ _____	£ _____

Money-saving tip: If you are paying high interest on store or credit cards, see if you can save yourself money there. Shop around immediately for a better rate and switch as soon as you can. This will give you some breathing space as you try to bring the balance down. Ask a Barclays Personal Banker about our Barclaycard product – we might be able to save you some money.

What to do next

Let the organisations you have borrowed from (your creditors) know you are struggling and ask what they can do to help reduce your monthly outgoings. At Barclays we have a range of options that we may be able to use to help you.

Or speak to a free independent debt advisor and ask them to help you get back on track. They can help you identify and address your priority debts first and negotiate with your other creditors. Free debt advice can be obtained from organisations such as National Debtline, Consumer Credit Counselling Service or your local Citizens Advice Bureau (see page 18 for more details).

Use the information you have worked out in the tables to draw up a budget and keep tabs on your spending. Make sure you stick to it as things can quickly get out of hand again. It'll be hard work to begin with but it's worth the effort.

You can also get more advice on managing debt and budgeting from the Financial Services Authority (FSA), the UK's financial watchdog. Visit their website at www.moneymadeclear.fsa.gov.uk

Maximise your income

As well as trying to cut the amount you spend, it's also worth looking at whether there are any ways of boosting your income.

If you're **working**, check that your tax code is right. If it's not, you could be paying too much tax. The Revenue & Customs' website (www.hmrc.gov.uk/pensioners/understandingyourtax.htm) explains how to do this.

You may also be entitled to tax credits if you have children, for example, or are on a low income. Call the Government's Tax Credits Helpline on 0845 300 3900 (call charges may vary) to make sure you are claiming everything you're eligible for.

And if you only work part of the year, contact your local tax office and see if you're entitled to a rebate. You can search for your local tax enquiry office at: www.hmrc.gov.uk/enq/index.htm.

An organisation called TaxAid may also be able to help you with free independent tax advice. Have a look at their website (www.taxaid.org.uk) or call their helpline on 0845 120 3779 (call charges may vary).

If you're a member of a trade union or other professional organisation, it's worth getting in touch to see if you're eligible for a grant or other financial help.

If you are **self-employed**, consider charging more for your goods or services, charging interest on late payments, using an accountant who could help reduce your tax, or using a debt collector. If your business bank account is with Barclays, speak to your Local Business relationship manager for advice.

If you are **out of work** through illness, unemployment or redundancy through no fault of your own and you have payment protection insurance covering any of your borrowing, check your policy to see if this can help you with your credit repayments.

Maximise your income

Whatever your work situation you could be entitled to benefits you're not claiming.

Ask your local Jobcentre Plus about:

- housing benefit
- child benefit
- income support
- pension credit
- council tax benefit
- benefits for people with disabilities.

You can find your local Jobcentre Plus through their website:

www.jobcentreplus.gov.uk

Citizens Advice also has lots of information about benefits on its website (www.adviceguide.org.uk/index/life/benefits.htm). Alternatively you can ask one of their advisers at your local Citizens Advice Bureau.

Time for some help?

You can bank on us

If you've done everything we've suggested so far and you're still struggling, it's time to talk.

There are lots of avenues to explore, and we've made a list of useful contacts on page 18. But as your bank, we're here to help you manage your money. Come in and see a Personal Banker in your local branch or, if you'd prefer to deal with it over the phone, ask about the Servicephone in-branch. This service connects you to a team of people who are trained to help.

We understand you may have debts with other companies, but when it comes to your debts with us, we may be able to:

- Allow you extra time to bring your account up to date
- Reschedule your borrowing over a longer period to reduce your monthly repayments
- Consolidate your borrowing into one loan which could reduce your monthly repayments
- Allow you to make reduced payments for a limited period while we try to find a long-term solution
- Accept lower payments while any claim for payment protection insurance is being processed.
(If you have a policy with Barclays and want to make a claim, call us on 0500 500 700.)

Who else can help?

Free independent help is available. Whilst there are commercial organisations which will charge you for advice on your debts, we will only recommend to you those that are **free and independent**.

We've provided a full index of contact details at the back of this leaflet, but here's a bit about what they can do to help.

If you want to sit down and talk to someone **face-to-face**, Citizens Advice has a nationwide network of bureaux. You can find your local Citizens Advice Bureau in the phonebook or through their main website. They also run a separate advice website that contains a wealth of information on debt and credit if you want to do some research on your own.

You can find other free face-to-face debt advice providers in your area by calling Advice UK or Money Advice Scotland.

If you'd rather talk to someone **on the phone**, then National Debtline, Payplan UK and the Consumer Credit Counselling Service (CCCS) all offer free, confidential and independent advice.

CCCS's **website** also provides you with a personalised 'Debt Remedy' plan to follow if you complete their online questionnaire about your situation.

The websites of all the organisations listed at the back of this brochure provide general information and advice on dealing with debt.

Who else can help?

The Government's independent watchdog, the Financial Services Authority (FSA), can also help you in several ways.

They run a helpline which can answer general enquiries about financial products and services and can point you in the right direction if you don't know who to contact. Lines are open 8am to 6pm Monday to Friday and the telephone number and website address can be found on page 19.

The FSA has written several booklets on a wide range of topics such as borrowing money, credit unions, mortgages and savings, which you can request free-of-charge from their helpline or download from their website.

Their website also contains comparative tables of different financial products to help you work out which one is best for you. Or if you prefer a bit more interaction online, there is a host of useful tools such as a Financial Healthcheck, Budget Calculator and Debt Test.

If you are a student, contact the student welfare officer at your Students' Union or the Student Services staff at your college or university. They will understand the particular difficulties students face and can give the appropriate advice. Welfare officers and Student Services staff may also be able to tell you about other help you can get, such as access funds or hardship funds to help students in extreme financial difficulties.

Whatever you do, do something

The worst thing you can do with debts is ignore them. Not only will they get bigger, but your credit rating could be affected. This may affect your chances of getting any kind of loan, mortgage or credit card in the future.

So as soon as you think you may have a problem, act fast. The sooner the better. By following the guidance provided in this brochure, you'll be well on your way to sorting out your money.

Be sure to contact the organisations you owe money to (your creditors) and let them know about your situation. It's in everyone's interest that you pay off your debts with as few problems as possible, so they should try to help you.

Unfortunately, it's not always possible to come to an arrangement with your creditors, or even keep up with the repayments you've promised to make. So then what happens? Overleaf we outline what can happen if you don't talk to us about your situation or can't reach a suitable agreement.

Worst case scenarios

We will always try to give our customers the best support and guidance to help them manage their debts. However, it sometimes happens that we can't come to an acceptable agreement. In that case, unfortunately, we may have to take one or more of the following actions. Other creditors may take similar action.

- **Tell credit reference agencies about the customer's account**

This could affect the customer's ability to get credit in the future, for example mortgages or loans.

- **Issue a Default Notice or a Termination Notice under the Consumer Credit Act 1974**

For a loan, this requires the customer to pay the full amount that is overdue (ie. the missed payments) within 14 days. Failure to comply with the Default Notice may result in the full balance of the loan account (ie. the total amount of debt remaining) becoming payable. On a current account, the overdraft limit will be cancelled and the full amount will become payable as soon as the Termination Notice is issued.

- **Issue a Formal Demand**

In this case, the full balance of the debt will be requested for payment.

- **Close the customer's account, cancel cards and cancel regular payments**

Repayment of the debt will then be sought through one of the other ways mentioned here.

- **Refer the customer's account to a debt collection agency**

The agency will then contact the customer direct for full payment.

- **Take legal action to make the customer pay**

This may lead to a court judgment which will be registered with credit reference agencies. It may result in the customer having to pay court and solicitors' costs in addition to their debt.

It is also possible that mortgage customers could lose their home if they do not keep up the repayments on it. Repossessing a home is the worst case scenario and could only happen once all other options for repayment have been explored.

Worst case scenarios

Ultimately, customers could even be made bankrupt. This really is a last resort, when every other avenue has been exhausted.

Bankruptcy has a lasting effect as it remains on your credit reference file for six years. That usually means no more credit of any kind – cards, loans, mortgages, even some bank accounts – which could make life very hard in future.

Like most lenders, we would prefer not to get to this point. Instead we would rather come to an agreement with our customers and help them deal with any financial difficulties they may have.

That's why it's vital that you come to us for help if you need it.

Avoid it happening again

Whether you have come close to debt problems or actually experienced things spiralling out of control, you will know it's something you want to avoid happening again.

Here are a few ideas that can help with that.

- Review your loans, credit cards and insurance every few months to see if you are still getting the best deal. Initial special offer rates eventually expire and could leave you on an uncompetitive rate. Come into Barclays for a review with your Personal Banker or have a look at the newspaper 'best buy' tables.

The independent 'Choosing and Using' guide (www.choosingandusing.com) created by APACS, the UK payments association, can help you with the factors that you should consider when making your choice of credit card.

- If you have repaid your borrowing, keep setting all or some of that same amount aside each month, but this time into a savings account so that you build up a buffer to help you cope with the unexpected.
- See if you can save money on your utility bills by switching provider or paying them by Direct Debit.
- If you already make regular payments by direct debit or standing order, make sure you don't pay avoidable bank charges – check that the dates when these payments come out of your account fall when you know you will have enough money in your account. This means they need to be at least one working day after money coming into your account (pay, benefits, other income).
- If you have a mobile phone contract, consider switching to pay-as-you-go and limiting yourself to £10 or £15 a month in top-ups.
- Use the tables at the front of this leaflet to draw up a budget and stick to it. Don't be tempted to spend more than you can afford.

Avoid it happening again

If you are a home owner, the chances are your mortgage is your single biggest debt. If you haven't reviewed it in a while, it is worth doing so to see if you could be paying less each month. Speak to the Woolwich Mortgage Advisor at your local Barclays branch and have a look at the newspaper "best buy" tables to see if you could get a better deal. The FSA's website also has comparative tables on mortgages if you want to compare specific product features and not just headline rates. Log on to www.fsa.gov.uk/tables

Useful contacts

Whether you want to talk to someone face-to-face, on the phone or just suss out your options on the internet, here are all the details you'll need on the organisations who can help, that we've talked about throughout this brochure.

Face-to-face advice

- **Citizens Advice Bureaux (CAB)**

For free independent advice in your area, find your local CAB in the phone book or through Citizens Advice's website search tool: www.citizensadvice.org.uk/index/getadvice In Scotland, try Citizens Advice Scotland (www.cas.org.uk) and in Northern Ireland, the Northern Ireland Association of Citizens Advice Bureaux (www.citizensadvice.co.uk) for your nearest CAB.

Citizens Advice also runs a separate independent advice website: www.adviceguide.org.uk

- **Advice UK**

All members of the Advice UK network provide free and confidential advice. Call 020 7407 4070 to find your nearest centre. Be sure to check that money advice is one of the services it provides.

- **Money Advice Scotland**

Network of agencies across Scotland providing free, independent and confidential money advice. Call 0141 572 0237 or check online at www.moneyadvicescotland.org.uk to find your nearest one.

On the phone or online

- **National Debtline**

Offers a free, confidential and independent phone service. Website also contains fact sheets and a self-help pack. Telephone 0800 808 4000 for free or look it up at: www.nationaldebtline.co.uk.

- **Consumer Credit Counselling Service (CCCS)**

Provides a free and independent service on the phone and online. Both offer a structured programme on how to manage your money through a personalised 'Debt Remedy' booklet. Ring 0800 138 1111 (freephone) or log on to www.cccs.co.uk.

- **Payplan**

Free debt management company providing practical advice and a full range of debt solutions. Freephone telephone service (0800 917 7823) and some online tools and advice (www.payplan.com).

Useful contacts

- **Business Debtline**

Business Debtline provides practical advice to help any business which has cashflow or debt problems. Freephone telephone number (0800 197 6026) and online information (www.businessdebtline.co.uk).

Other sources of information

- **Financial Services Authority (FSA)**

UK's independent financial watchdog.

See page 12 for more information.

Consumer helpline: 0845 606 1234

(call charges may vary)

Consumer information:

www.moneymadeclear.fsa.gov.uk

Comparative tables: www.fsa.gov.uk/tables

Interactive tools:

www.moneymadeclear.fsa.gov.uk/tools.html

- **Financial Ombudsman Service (FOS)**

For when you are not satisfied with how your financial services provider has dealt with your complaint. Consumer helpline 0845 080 1800 (call charges may vary) and website: www.financial-ombudsman.org.uk.

This item can be provided in Braille, large print or audio by calling 0800 400 100* (via TextDirect if appropriate) or ordering online via our website www.barclays.co.uk/accessibleservices

*Calls to 0800 numbers are free if made from a UK landline. To make sure we maintain a high quality service we may monitor or record phone calls for security or training purposes.

Barclays Bank PLC is authorised and regulated by the Financial Services Authority.

Registered Office: 1 Churchill Place, London E14 5HP.

Registered in England. Registered No: 1026167

Barclays Bank PLC is covered by the Financial Ombudsman Service (UK branches only).