

Your guide to debt options

We're more than just a landlord



You're not alone

We're here to support you, with services designed to help you feel secure and build a positive future.

Managing debt can feel overwhelming, but you don't have to face it on your own.

This guide explains the debt options we can advise on, including:

- what each option involves
- the benefits
- things to consider

Free, impartial and confidential debt advice

If you feel overwhelmed, SNG's free Debt Advice Service can help.

Our trained advisors will listen to what's going on and guide you through the options that might work for you.

Taking the first step can feel daunting, but once you reach out, we'll help you through the rest.

Call **0300 5000 926**
or email:
supportforyou@sng.org.uk

For free, confidential and independent advice on dealing with debt problems please visit:

www.gov.uk/debt-advice

Ways we can help you manage debt

Different options can help depending on what you need right now:

Pause action

- Breathing Space
- Mental Health Crisis Breathing Space
- Informal Hold

Make lower payments

- Token Offers
- Pro Rata Offers
- Debt Management Plan (DMP)

Clear or reduce debt

- Full and Final Settlement
- IVA
- Bankruptcy
- Debt Relief Order (DRO)
- Informal Write Offs

Court based help

- Time Order
- Administration Order

Council or specialist support

- Section 13A (Council Tax)
- Crisis Resilience Fund (CRF)
- Debt and Mental Health Evidence Form (DMHEF)

Using assets

- Equity release
- Pension release

Pause action

Breathing Space

A 60-day period where most creditors must pause enforcement and freeze interest, giving you time to decide your next steps.

Advantages

- Stops most enforcement for 60 days
- Gives time to consider your options
- Free to apply

Things to consider

- Only available once per 12 months
- Doesn't cover secured debts or hire purchase
- A temporary measure, not a full solution

Mental Health Crisis Breathing Space

A protection period for people receiving mental health crisis treatment. It lasts for the duration of treatment plus 30 days.

Advantages

- Stops most enforcement throughout treatment
- Helps remove financial pressure during crisis
- Free to access

Things to consider

- Requires confirmation from a mental health professional
- Doesn't cover secured debts or hire purchase
- Not a long-term solution

Pause action

Informal Hold

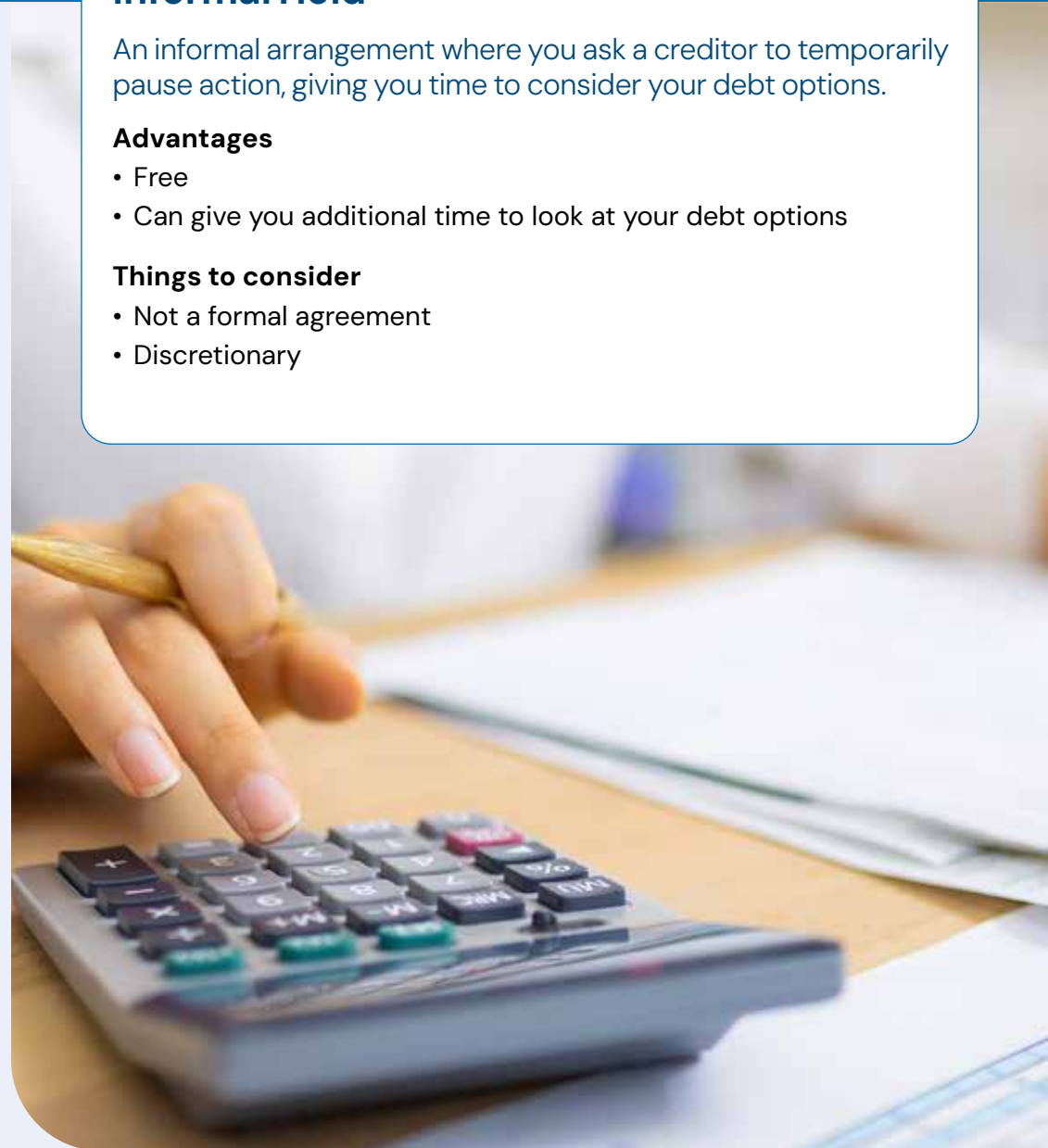
An informal arrangement where you ask a creditor to temporarily pause action, giving you time to consider your debt options.

Advantages

- Free
- Can give you additional time to look at your debt options

Things to consider

- Not a formal agreement
- Discretionary



Make lower payments

Token Offers

A very small, temporary payment is agreed with each creditor (often £1 per month).

Advantages

- Only small monthly payments
- Free to apply
- Can reduce pressure quickly
- Interest and charges may be frozen

Things to consider

- May affect your credit rating
- Usually reviewed after 3–12 months
- Creditors don't have to accept

Pro-Rata Offers

You make slightly larger reduced payments (typically £5+ per debt), split fairly between creditors.

Advantages

- Free to apply
- Affordable monthly payments
- May reduce enforcement risk
- Interest and charges may be frozen

Things to consider

- May affect credit rating
- Temporary solution needing review
- Creditors may not agree

Debt Management Plan (DMP)

A third party arranges affordable payments and distributes them to your creditors.

Advantages

- Free to apply
- One monthly payment
- May reduce creditor contact
- Informal and flexible

Things to consider

- May affect your credit rating
- Interest might still be added
- No guaranteed legal protection

Clear or reduce debt

Full and Final Settlement

You use a lump sum to settle a debt, sometimes for less than the full balance.

Advantages

- Free to apply
- Can reduce the overall amount paid
- Clears the debt quickly
- Ends contact for that debt

Things to consider

- Requires a lump sum
- Partial settlements may affect credit rating
- Not all creditors accept

Individual Voluntary Arrangement (IVA)

A legally binding repayment plan lasting up to 6 years, set up by an insolvency practitioner.

Advantages

- Can write off remaining debt
- Protects any property you own
- Fixed, structured payments

Things to consider

- Long commitment
- High failure rates if payments break down
- Affects credit rating for 6 years
- Fees apply

Bankruptcy

A formal process that can write off debts completely. An official receiver manages your financial affairs during the process.

Advantages

- Full write off of qualifying debts
- Straightforward application
- No minimum debt amount

Things to consider

- Costs £680
- Affects credit rating for 6 years
- Restrictions on some jobs

Debt Relief Order (DRO)

A low-cost alternative to bankruptcy for people with low income, low assets and debt under £50,000.

Advantages

- Full write off of qualifying debts
- Free (no application fee)
- No court hearing

Things to consider

- Strict eligibility rules
- Affects credit rating for 6 years
- Not suitable if you own significant assets

Clear or reduce debt

Informal Write Offs

An informal agreement where a creditor may choose to write off some or all of your debt, usually based on your financial circumstances.

Advantages

- Can write off specific debts under exceptional circumstances
- Free (no application fee)

Things to consider

- Can impact credit rating
- Only awarded in specific circumstances

Court-based help

Time Order

A court-approved change to certain credit agreements, giving more time to pay.

Advantages

- Gives longer to repay
- Can prevent repossession of goods

Things to consider

- Fees apply
- You must already have a County Court Judgment (CCJ)
- Limited cost savings
- Creditors and courts use this rarely

Administration Order

The court sets one monthly payment, which it distributes to your creditors.

Advantages

- One affordable payment
- Court-recognised protection
- A judge may reduce the debt

Things to consider

- Fees apply
- Total debt must be under £5,000
- Requires at least one CCJ
- Affects credit rating

Council or specialist support

Section 13A Council Tax Request

A request to your local council asking for council tax arrears to be reduced or written off.

Advantages

- Free to apply
- No impact on credit rating
- No negatives if refused

Things to consider

- Only applies to council tax
- Decision is discretionary
- Some councils have complex processes

Debt and Mental Health Evidence Form (DMHEF)

A form that allows creditors to receive information from your healthcare professional about how your mental health affects your ability to manage debts.

Advantages

- Can support another debt option
- May pause enforcement
- Free to use

Things to consider

- Not a stand-alone solution
- Creditor policies vary
- Needs to be written by a health care professional

Crisis Resilience Fund (CRF)

A payment from your local council to help with rent arrears or shortfalls.

Advantages

- Free to apply
- Can clear rent arrears
- May support ongoing rent
- No credit impact

Things to consider

- Council decision is discretionary
- Often short-term support



Using assets

Equity Release

Releasing money from your home to clear arrears or debts.

Advantages

- Could clear debts fully
- Uses existing assets

Things to consider

- Fees apply
- Specialist advice required
- Potentially financially risky

Pension Release

Taking money from a private pension early to pay debts.

Advantages

- Could clear arrears in full
- Gives access to cash quickly

Things to consider

- Fees apply
- Requires professional advice
- May affect long-term retirement income
- May be financially risky

Please contact us if you would like
a copy of this information in another language.

Polish

Prosimy o kontakt, jeżeli chcieliby Państwo otrzymać kopię tych informacji w innym języku.

Portuguese

Por favor, contacte-nos se pretender uma cópia desta informação noutro idioma.

Somali

Fadlan nala soo xiriir haddii aad nuqul ka mid ah macluumaadkan ku rabto luqad kale.

Bengali

আপনি যদি অন্য একটি ভাষায় এই তথ্যের একটি কপি চান তাহলে অনুগ্রহ করে আমাদের সাথে যোগাযোগ করুন।

Cantonese

若您想獲得其他版本語言資訊，請與我們聯絡。

Arabic

يُرجى التواصل معنا عند رغبتكم في الحصول على نسخة من هذه المعلومات بلغة أخرى.

Gujarati

જો તમને અન્ય ભાષામાં આ માહિતીની એક નકલ જોઈતી હોય તો કૃપા કરીને અમારો સંપર્ક કરો.

Get in touch

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For London and Hertfordshire
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All enquiries and out of hours
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My account

At www.sng.org.uk/myaccount, you
can pay your rent, raise a repair and
get in touch with just a few clicks

Support for you

If you're struggling, we can support
you. Call **0300 5000 926** or email
supportforyou@sng.org.uk to speak
to our friendly team, and we'll take it
from there.