

uniquebusinessfinance



Employed Individuals

Downloaded Information Pack

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Employed individuals

Many people when unable to afford the repayments on existing credit, will try to obtain a single consolidation loan with lower monthly repayments. If you are unable to refinance, then Bankruptcy, informal arrangements and individual voluntary arrangements are all options open to you.

Bankruptcy is usually only recommended if all other avenues are closed. If you go bankrupt your finances will be placed under the control of a "trustee in bankruptcy". He/she will require you to sell your assets for the benefit of your creditors. This can include any equity there may be in your home and you may also be required to make monthly payments from your income for up to 3 years. Your bankruptcy will be advertised in a local paper and may affect certain types of employment.

An informal arrangement is a process of negotiating a reduced monthly payment schedule with your unsecured creditors. You can attempt this either by doing all the work and the negotiating for yourself, or by paying for professional assistance. You need to understand that because you would be making payments at a lower level, your creditors may continue to charge you interest. As a result, your total repayments are likely to be more than you originally agreed, because you will be paying over a longer period. Also informal arrangements are not legally binding, which means that your creditors can change their minds at any time. For instance they could sell your debt and the new creditor could then pursue you for payment.

Individual voluntary arrangement. (Usually referred to as an IVA)

In order to make an arrangement, first we will look at your own situation in respect of your debts and assets. We also need to know how much income you have and how much you have to spend each month in order to live. From there we can see how much you could reasonably be expected to pay each month to support the debt. This amount is determined entirely by applying the insolvency rules to your specific situation, which means that the contribution would be the same regardless of who drafts the proposal. We will then talk you through the proposal to make sure you are happy with it, and that you are able to commit to it.

We will then go to the creditors and offer them a payment over a period of time. We would also ensure that all charges are stopped and interest frozen.

Once we have agreed all points with them, the agreement becomes legally binding. This prevents your creditors from pursuing you for payment. They must leave you in peace and deal directly with us. It also protects you from any legal actions such as county court judgments and even bankruptcy. However, you don't lose your right to petition for your own bankruptcy if you chose in the future to do so.

From that point on, you make one affordable payment to us each month. We then, at the appropriate time, make distributions to the creditors, minus an amount which we keep back from them, in order to pay us for the work that we do for you. Effectively we don't charge you, as your creditors will meet our fees. If we don't succeed, then we don't get paid. You will never receive a bill from us.

This arrangement can run for a maximum period of five years. At the end of five years the agreement will state that, if the money you have paid is not sufficient to pay off the whole debt, then any remaining debt will be written off.

Your house your car and your household goods are protected in the IVA, and you remain fully in control of your financial situation.

In simple terms, that's how the IVA works. If we take on your case and put a proposal into your hands, then we fully expect to succeed and generally do so.



This results in the constant stress and pressure created by out of control debt, being removed. In turn this allows you to get back to running your affairs and your personal life in a normal manner.

Our process

Your first contact will be with one of our telephone advisors who will welcome you when you call. He/she will answer any questions that you have and will ask you the relevant questions in order to understand your particular situation. We will not need precise information from you at this point, we just need enough to establish the possible solutions to help you. If we are unable to help directly, we will introduce you to the appropriate specialist. If we can help you directly, then we will have one of our field consultants contact you at your convenience or, if possible, transfer your call at our expense directly to the consultant.

The consultant will discuss your situation further and if you and he agree that it is appropriate, he will arrange to visit you for more detailed exploration of your situation. He will advise you and assist you to collate sufficient information for us to make a full assessment prior to advising you of the correct actions to take. There will be no charge for this visit nor the advice and assistance provided.

If we then agree to proceed with an IVA, we will prepare a proposal on your behalf. This document will detail your financial position and will propose an affordable offer of payment to your creditors. The document will then be presented to you for your approval prior to us making any contact with your creditors. We will answer all questions which you may have, and make any necessary alterations. If you are unable to agree and approve the proposal, we will advise you of your options and withdraw if you wish.

When you approve and sign your proposal, we will then contact your creditors, providing each of them with a copy, and will call a creditors meeting. You will not usually be required to attend the meeting.

Each of the creditors is invited to study the proposal and to vote for or against its implementation. They are required to vote before the appointed time and date of the meeting in order for their vote to be counted. The creditors effectively have one vote per pound of the monies owed to them i.e. the largest creditor has the biggest vote. In order for the proposal to be accepted, of those creditors that vote, 75% must be in favour. In this instance, creditors who do not vote as well as creditors who vote against the proposal, will be carried by the majority and bound to accept the content of the proposal.

You may if you wish, contact our office directly after the appointed time on the day of the meeting in order to ask the outcome. Otherwise one of our team will advise you shortly afterwards.

We can not guarantee success, but if we put a proposal into your hands we expect to succeed and generally do so.