

How do I complain about a creditor or debt collection company?

Nobody likes being chased for debts. But if you want to complain about a creditor or debt collection company because, for example, they:

- are pursuing you for money that you believe you do not owe
- have added unreasonably large collection charges to your debt, or
- are phoning you at unreasonable hours or most weekdays.

First complain to the company in writing.

If you are unhappy doing this or you have not had a satisfactory response within eight weeks, contact the Financial Ombudsman Service. Their services are free and they may be able to help get your complaint resolved.

Visit their website at www.financial-ombudsman.org.uk or call 0845 080 1800.

What's the difference between the County Court and the Magistrates' Court?

The County Court deals with all civil matters, such as family proceedings, housing and money claims (debts). Hearings about debts are always held in private. The County Court has its own bailiffs who are paid employees of the court. Creditors can ask the court to collect unpaid debts once a court judgement (decision) has been made on a claim.

The Magistrates' Court is part of the criminal justice system. It deals with criminal offences as well as fine payments for not having a TV licence and Council Tax arrears. The Magistrates' Court uses private bailiff firms who charge for their services (debtors pay the fees).

Should I become bankrupt?

Bankruptcy is supposed to be a fresh start for people who are in severe financial difficulties. In certain circumstances, you can be discharged from bankruptcy one year or even less after the bankruptcy order is made. However, applying for personal bankruptcy is a serious step to take. If you are ordered to make payments from your income, this can be for up to three years. If the court makes a Bankruptcy Restrictions Order, this will restrict your activities for between two and 15 years. If you own your own home, you can lose it. You cannot get further credit, any bank account you have will be frozen and you may lose your job if you work in certain professions.

If you want to consider bankruptcy as an option, get advice.