

Stage 2:

Checking whether you owe the money

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Before making arrangements on debts, you need to check you owe the money – this is called being liable for the debts.

Am I liable for my partner's debts?

Generally speaking, you are not liable for your partner's debts.

The exceptions, where you and your partner are both liable are:

- Council Tax for periods during which you live together
- water charges for periods during which you live together
- loans in joint names where you have both signed the agreement
- overdrafts on joint bank accounts.

In each of these cases you are each 'jointly and severally liable'. That means each of you is liable for the whole debt.

Otherwise, where a debt is in your partner's name only and you didn't agree to act as guarantor – in other words, where your signature isn't on the agreement – you are not liable.

Am I liable for other people's debts?

You are not responsible for other people's debts unless you signed a contract jointly with them or acted as a guarantor.

What happens when someone dies?

The general rule is that, when a person dies their debts die with them. However, when someone dies leaving money or other assets, their debts are paid from this 'estate'.

Remember that where there is joint and several liability (see left) the surviving person remains liable. Also, mortgages on property don't die with the debtor, although they are usually covered by insurance.

If you are still in any doubt whether you are liable for a debt, get advice from an advice agency or call Consumer Direct on 0845 404 0506.

Is there a time limit for collecting debts?

You may not have to repay a debt if your creditor has not contacted you for at least six years.

If they contact you after six years, get advice.

I was under 18 when I took out the debt. Does it make a difference?

If you obtained credit when you were under 18, you may not be liable.

Get advice.