

# Dealing with debt

Helpful information to make managing your outgoings less of a struggle.

# Three simple steps to dealing with debt

When something big happens, managing your money might not be the biggest priority, but if you forget about your borrowing, it can get out of control, leaving you with even more to worry about.

If you're affected by ill health, or a life-changing event and you feel things are getting on top of you, it's important you get in touch so we can find a way to help.

The three steps detailed in this leaflet should help you to get started:

## Step one - working it out

If you're in genuine financial difficulty, the first thing to do is work out what money is coming in on a regular basis, and what you need to cover essential expenses.

Start with income, including things like wages, pensions, maintenance payments or state benefits received by all adults who contribute to your household bills.

Next, list all of your basic living costs. Don't include any debts at this stage, just your essential expenses such as rent or mortgage payments, food, electricity, gas and water costs.

It might feel like you're sacrificing the things you enjoy, but cancelling non-essential things could help you to manage your outgoings more easily in the short term.

Price comparison websites could help you check you're getting the best deals on things like utilities.

## Step two - work out how much you owe

Now you've got a list of the essentials, move on to your debts, including loans that are secured against your property, unsecured personal loans, overdrafts in your name and all credit/store cards.

Remember to include the names of each company you owe money to, an up-to-date figure of what's left to pay and how much you pay each month. Don't forget to list your MBNA credit card accounts, including those issued by MBNA under another name.

If you owe any money to family members, you should include them in this list too.

## Step three - let us help you

If you're eligible to be placed on a reduced payment programme, it'll be individual to you. Of course, you can pay more if you're able to.

To give you a fresh start, we'll bring your account up to date. Although your full balance will continue to be due, no arrears needing immediate payment will show on your account. If you miss any further payments, they'll be treated as arrears in the regular way.

While a plan is in place, we'll reduce your interest rate to 0% per annum (see your statement for the monthly equivalent rate), and won't charge late payment or overlimit fees (where applicable).

Just bear in mind, the information we send to credit reference agencies will show the status of your account. This could affect your credit rating, and your ability to get credit in future. Your account will also be restricted, so you won't be able to make any new transactions.

Once you've listed all of your income and expenditure details, to discuss the possibility of being placed on a reduced payment plan, please call us on: 0800 028 0690.

## Further information - if you have LifestyleProtect

If you have a LifestyleProtect policy and you've experienced involuntary unemployment, hospitalisation, become a full-time carer, or you're not working due to accident or sickness, you may be able to claim. It could also help you with life events, like having a baby, getting married or purchasing a principal home.

Check your full terms and conditions within your LifestyleProtect policy document for further information, or call Covéa Insurance on 0800 587 0525 (option 1). Lines are open Mon-Fri, 8am-6pm.

It's important to make payments on time. **Before 25 February 2019**, we'll suspend the policy if 3 or more payments are missed. It will resume once your account is fewer than 3 payments in arrears. **From 25 February 2019**, if the account is 3 or more payments in arrears the policy will be cancelled. We sent a letter to the cardholder in late 2018 to explain this change.

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To speak to us please call: **0800 028 0690**

You'll find more information online, including our income and expenditure form, at: [mbna.co.uk/managingdebt](https://mbna.co.uk/managingdebt)

# Who else can help?

The following organisations offer free and independent advice:

Money Advice Service	Call: 0800 138 7777	Visit: <a href="http://moneyadviceservice.org.uk">moneyadviceservice.org.uk</a>
Citizens Advice	Find a phone number for your local branch online, or in the phone book.	Visit: <a href="http://citizensadvice.org.uk">citizensadvice.org.uk</a>
Debt Action NI Service (Northern Ireland Only)		Visit: <a href="http://adviceni.net/advice/debt">adviceni.net/advice/debt</a>
Money Advice Scotland (Scotland Only)	Call: 0141 572 0237	Visit: <a href="http://moneyadvicescotland.org.uk">moneyadvicescotland.org.uk</a>
National Debtline	Call: 0808 808 4000	Visit: <a href="http://nationaldebtline.org">nationaldebtline.org</a>
StepChange Debt Charity	Call: 0800 138 1111	Visit: <a href="http://stepchange.org">stepchange.org</a>
British Bankers' Association	You'll find a range of leaflets and factsheets online.	Visit: <a href="http://bba.org.uk/customers">bba.org.uk/customers</a>
Payplan	Call: 0800 912 1458	Visit: <a href="http://payplan.com">payplan.com</a>

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