

FINANCIAL DIFFICULTY LONG TERM SICKNESS POLICY

Service charges are budgeted so that the total amount collected is enough to cover all spending needed to service the blocks/site. Unlike a mortgage lender (a commercial profit making business) there is no added profit element, nor are extra funds collected to cover any shortfall where someone does not pay.

We understand that circumstances may arise where you are having difficulty paying your service charge.

This could be where:

- You are unemployed
- You are off work due to long-term sickness

Whilst we appreciate the difficulty this can cause you, we still need to ensure your portion of the service charge is collected. If you are unable to pay your service charge, unless we ask your neighbours to pay extra to cover the shortfall, the block/site will have insufficient funds to meet its service costs.

We need to consider how to recover any amounts due. The best option is for us to work with you and collect these charges directly from your mortgage lender. This would be preferable to us commencing court proceedings which can prove costly for you, incurring further charges (see details below).

Providing you agree that your service charge is due (i.e. not in dispute) and instruct us to approach your lender, this option will avoid some, or all, of the court costs being added to your account. Instead the likely cost is £60 (plus VAT)

To help you in this way we require the following information from you: -

1. An email or letter from you stating that:
 - a) You are not disputing any of the arrears in question
 - b) You agree to us writing to your mortgage lender on your behalf
 - c) Provide your mortgage roll/ reference number (see your mortgage statement)
2. Evidence of your unemployment or sickness (e.g. Jobseekers Allowance documentation; letter from your Doctor)
3. The slip below completed and signed.

Court Costs: the usual process to recover service charges is a letter of claim (£42) followed by an application to the County Court (£72) + Court fee (£35-£100) followed by an allocation questionnaire (£100 + £80 Court fee) or a request for judgement (£72). Then recovery action from you or your lender each stage charged at (£72).



I/We _____ as the legal owners of _____
reference _____ / _____

● agree our **Service Charges** in the sum of £ _____ are legally due

● agree our **Ground Rent** in the sum of £ _____ is legally due

I/We are experiencing financial difficulties and hereby instruct Ringley Legal to write to our mortgage lender

(Name of Mortgage Company / Lender) Address _____ (Mortgage Company / Lender's Address)

Postcode _____ Mortgage / Loan Ref No. _____

to seek / arrange for the debt to be added to my/our mortgage account.

Signed

Print Name(s)

*Please note that if your mortgage lender is unwilling to pay on your behalf then we will have to follow our normal arrears recovery process.

Arrears

If you are behind with payments and have received an arrears notice here is some important information to help you.

Don't ignore the problem.

- **Contact the organisation you owe money to.** Let them know you are having problems. They may be able to discuss options for paying back what you owe.
- **Get free help and advice.** Your rights and options depend on the type of agreement, and the law can be complex. You can get free independent help and advice from a number of organisations – see over for details.
- **Pay priority debts first** – for example, mortgage, rent, council tax, or gas or electricity arrears. A debt adviser can help you to budget to keep your finances under control.
- **Think carefully before borrowing money to repay debts.** Get advice before borrowing against your home – you will pay more in the long run and you risk losing your home.
- **You may be able to ask a court for more time to repay a debt** – but only in some circumstances. Speak to a debt adviser before considering court action. Keep copies of letters and emails in case these are needed by the court.

Doing nothing could make things worse.

The lender could take legal action against you, and you could end up paying more in interest and charges. Missed payments could affect your credit rating and make it more difficult to get credit in future.

See over for details of where to get help and advice.

Help and advice

You can contact the following not-for-profit organisations for free, confidential and impartial debt advice, or for details of where to get such advice in your area.

Citizens Advice

For advice and information on debt and other topics, visit your local Citizens Advice Bureau (address in the phone book) or go to **www.adviceguide.org.uk**

National Debtline

If you live in England, Wales or Scotland phone **0808 808 4000** or visit **www.nationaldebtline.co.uk** for debt advice and information

Advice NI -

Debt Action NI service

If you live in Northern Ireland, phone **0800 917 4607**, email **debt@adviceni.net** or visit **www.debtaction-ni.net** for debt advice

Money Advice Scotland

If you live in Scotland, phone **0141 572 0237** or visit **www.moneyadvicescotland.org.uk** to find contact details for debt advice in your local area

StepChange Debt Charity

For debt advice throughout the UK phone **0800 138 1111** or visit **www.stepchange.org**

Money Advice Service

For free, unbiased and easy-to-access money tools, information and advice, visit **www.moneyadviceservice.org.uk** or phone **0300 500 5000** to speak to a Money Adviser

AdviceUK

Member centres offer debt advice including specialist advice for minority communities and people with disabilities. For further information phone **0300 777 0107**

Other useful organisations

Civil Legal Advice

You may get legal aid if your home is at risk. Check at **www.gov.uk/legal-aid** or phone **0845 345 4 345**

Financial Ombudsman Service

If you have a complaint that you can't resolve with your lender, the Financial Ombudsman Service may be able to help – phone **0300 123 9 123** or **0800 023 4567** or visit **www.financial-ombudsman.org.uk**