

Checklist of Solutions

The best option for you will depend on your own and your family's circumstances, and on your own preference. What you decide to do will also depend on how much you owe and how much you can repay from your income or assets, after paying your rent/mortgage and other basic living expenses.

You must be prepared to provide all the details of your debts and your finances. It is essential that we understand the whole picture and have a realistic understanding of your income and expenditure.

If you need any help or advice when making an assessment of your household income and expenditure please do not hesitate to speak to Carrington Dean for advice and guidance.


Debt is a modern problem - however modern solutions now exist to help you resolve your current difficulties so you can get on with the rest of your life and leave your financial worries behind.

The following page provides a brief overview of the main features of the key debt solutions.

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	Debt Management Plan (DMP)	Protected Trust Deed (PTD)	Debt Arrangement Scheme (DAS)	Sequestration/ Bankruptcy
Automatically free of debt?	No.	Yes. When the terms of the Trust Deed have been completed, subject to certain exceptions.	No. DAS allows debtors to repay all of their debt over an extended period of time.	Yes. When you are discharged, subject to certain exceptions. You will still have to pay debts that are not allowed in bankruptcy.
Automatically binding on all unsecured Creditors?	Only if Creditors are paid back in full.	Yes. Once the Trust Deed has become 'Protected' no interest, penalties or legal action can be taken.	Yes. Creditors are also unable to take enforcement action against any debtor who has intimated an intention to apply for DAS.	Yes.
Automatic protection from action by unsecured Creditors?	No.	Yes. Once the Trust Deed has become 'Protected' no interest, penalties or legal action can be taken.	Yes.	Yes.
Protected from action by secured Creditors?	No.	No.	Yes.	No.
Length of time?	No fixed time.	Normally 3 years.	Reasonable length of time, under 10 years.	Usually 1 year but payments may have to be made for up to 3 years.
Effect on Employment?	Probably None.	Possibly.	None.	Certain professions regard sequestration as a disciplinary offence.
Home at Risk?	You must keep up mortgage/rent repayments.	May be avoided if your spouse/partner or a relative can buy your share of the net worth of your home. You can also negotiate payment with your Trustee.	You must keep up mortgage/rent repayments.	May be avoided if your spouse/partner or a relative can buy your share of the net worth of your home.
Min. or Max. debt allowed?	None.	The min. level of debt is around about £8,000.	None.	The min. level of debt is £1,500. A LILA is an alternative solution.
What types of unsecured debt are allowed?	Any.	Any with the exception of certain fines, student loans and maintenance payments.	Any.	Any with the exception of certain fines, student loans and maintenance payments.
Credit rating affected?	Yes.	Yes.	Yes.	Yes.