

HOW TO PRIORITISE YOUR DEBTS

If you're starting to miss some of your bill payments, you might be feeling overwhelmed. Find out how to prioritise your debts, work out which debts to pay off first, and get the help you need if you're struggling.

Why it's important to pay off debts in the right order

The consequences of not paying off some debts before others can be more serious.

So, if you're struggling to make your repayments on time, you need to look at all your debts and split them into:

- debt emergencies
- priority debts
- non-priority debts.

Our easy-to-use [Bill prioritiser](#) helps you understand which bills and payments to deal with first and how to avoid missing any.

If you're facing a debt emergency

Get free, independent debt advice urgently if you're facing a sudden emergency, such as:

- court action
- bailiff action
- disconnection, or
- eviction for mortgage or rent arrears.

Some debt advisers may be able to talk to the court, bailiff or creditor on your behalf. If you want someone to do this for you, check if they'll be able to. Use our [Debt advice locator tool](#) to find free and confidential debt advice online, over the phone or near to where you live.

A debt adviser will also advise you on what to do next.

It's important to always turn up to a court hearing. It gives you the chance to come to an agreement.

If you don't go, a decision might be made without considering information about your situation.

If you're there you can tell the court what's happening, and it might help them to reach a decision that is better for you.

Some courts use advice organisations such as [Shelter](#) or [Citizens Advice](#) who will be able to give you some last-minute advice on what to do.

If you're due in court within 24 hours, ask if there's someone you can speak to before your case is heard.

What are priority debts?

Priority debts are those that carry the most serious consequences if you don't pay them.

These don't have to be the largest or debts with the most expensive interest rates, but if you don't pay them it could lead to serious problems.

Priority debts can include:

- Court fines
- Council Tax or Rates
- TV Licence
- Child Maintenance
- gas and electricity bills
- Income Tax, National Insurance and VAT
- mortgage, rent and any loans secured against your home
- hire purchase agreements, if what you're buying with them is essential
- missed payments owed to DWP (Department for Work and Pensions) or HMRC.

Why you should pay off priority debts first

The consequences of not paying off priority debts could be:

- being visited by bailiffs
- receiving a court summons
- being made bankrupt – because you haven't paid your bills
- having your gas and electricity cut off – because you haven't paid your bills
- losing your home – because you're not keeping up with mortgage or rent payments
- imprisonment – can be as a result of not paying Council Tax or your TV Licence in the most serious of cases.

It's a good idea to talk to a debt adviser first before you agree to make payments to people you owe money to.

[Citizens Advice](#) has a list of priority debts, their consequences and how to deal with them.

[National Debtline](#) also offers guidance on how to deal with a wide range of debt issues.

What are non-priority debts?

Some examples of non-priority debts include:

- overdrafts
- personal loans
- banks or building society loans
- water bills and sewerage bills
- money borrowed from friends or family
- credit card, store card debts or payday loans
- catalogue, home credit or in-store credit debts.

The consequences of not paying non-priority debts are less serious. If you don't pay non-priority debts, your creditor could eventually take you to court or instruct bailiffs to collect money from you.

Water and sewerage bills

Your water and sewage cannot be cut off in the same way as your other bills like electricity. But as an essential household bill, it's worth considering alongside your other priority bills before other non-priority debts.

If you're facing higher living costs, find out about extra sources of income and support in our section [Help with the cost of living](#).

If you don't pay at least your current water and sewerage bills, the amount you owe will continue to go up and eventually your water company could take enforcement action to recover what you owe.

Get free advice about dealing with debts

Don't struggle with debts – particularly if you're facing an emergency, such as losing your home or going to court.

If you need more support or don't know where to start paying off debts you're not alone.

Nearly half of people in debt told us they aren't sure about the best way to pay off their debts, and that is where a debt adviser can really help you make the right decision and help you become debt free.

A debt adviser will:

- treat everything you say in confidence
- never judge you or make you feel bad about your situation
- suggest ways of dealing with debts that you might not know about
- check you have applied for all the benefits and entitlements available to you
- always make sure you are comfortable with your decision.

Three quarters of people who get debt advice feel more in control of their finances afterwards.

With free debt advice services, they will go through all of your available options and help you choose the most suitable one for you. Use our [Debt advice locator tool](#) to find free and confidential debt advice online, over the phone or near to where you live.

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