

What do I do if I'm experiencing financial difficulties?

If you are experiencing financial difficulties, we would like you to get in touch with us. Our team are here to help you.

Getting your finances in order can be tough; below you will find some useful tips to help you save money and organise your finances.

1. Budget

Put together a list of all your monthly outgoings, from rent/mortgage payments to food and utility bills. This will help you monitor your outgoings and prevent you from spending money on things you may not need.

2. Get everything on the table

You may find it useful to collate all your financial paperwork etc. and draw up a list of all your creditors and your outstanding debts with each one. Then write down how much you pay out to each creditor per month. This will make it easier to see where you could be saving money and potentially enable you to reduce your monthly outgoings.

3. Prioritise

Prioritise your debts. If you find you're struggling paying all your debts each month it's a good idea to draft a list with the most important debts at the top and then work your way down. This ensures that the main debts are getting paid each month.

4. Know where you stand

It's a good idea to know exactly how your finances look. Sign up to a credit scoring agency, most of them offer a free trial period such as Experian and CallCredit. This will give you a good idea of where you stand and they can offer you helpful tips to improve your credit rating.

5. Know your interest rates

Find out what interest rate you're paying on your credit cards, loans, finance agreements etc. It may be more cost effective to transfer credit from a higher interest agreement, on to one with a lower interest rate.

6. Consolidate your debts

If you do have credit agreements with high interest rates it may be beneficial to take out a loan to consolidate your debts. This will enable you to pay off your higher interest rate agreements and consolidate them all into one affordable lower monthly payment. This will make your debts more manageable and could save you money.

7. Do your homework

Before you do anything it's important to do your research. Make sure it works out cheaper to take out a consolidation loan rather than leave your finances as they are. You don't want to be paying more in interest than you originally were. Make sure you're aware of what sort of loan you are taking out. If you take out a secured loan, you may end up losing your home if you fail to make payments.

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8. Think ahead

Be aware that missing payments could have a detrimental effect on your credit score, as can applying for lots of credit in a short space of time. You don't want to do anything now that could make it difficult to get credit in the future. Always think ahead, if you are planning on applying for a mortgage in the near future, make sure you have your finances in order at least 6 months before you start the application process.

9. Shop around

Shop around for the best deals. Price comparison websites make it easy for you to compare prices from a range of different credit providers all in one place. It's important to know that headline interest rates may increase once you have gone through an application. It's not just the interest rate that's important, make sure you compare fees and charges.

Some companies won't charge you for early repayments whilst others will: this could end up costing you more in the long run.

It's important to shop around but be aware every time you apply for credit it leaves a mark on your credit score. This is ok because you need to go through applications in order to get credit, however, don't make applications for credit unless you need to. Too many applications within a short period of time will damage your credit score.

10. Get Help

Here are some useful numbers to keep handy if you find yourself in need of some further help and advice.

- Citizens Advice Scotland – cas.org.uk
- Citizens Advice England and Wales – citizensadvice.org.uk
- Advice UK – Tel 0207 469 5700, or visit adviceuk.org.uk
- National Debtline – Tel 0808 808 4000 or visit nationaldebtline.co.uk
- Debt Advice Foundation – Tel 0800 043 4050 or visit debtadvicefoundation.org
- StepChange Debt Charity – Tel 0800 138 1111 or visit stepchange.org
- Money Advice Service – Tel 0800 138 7777 or visit moneyadviceservice.org.uk