



*The Help and Advice
You Need!*

YOUR FINANCES - FACTSHEET

V1, 20/4/2020

OTHER FORMS OF CREDIT

CAR LOANS

The FCA is working with the FLA (Finance and Leasing Association) to see how the payment holiday system could be applied to people who are buying their vehicle on finance. However, nothing is in place as yet. If you are struggling with making payments on your car finance during this time, get in touch with your dealer in the first instance and discuss it with them. Some dealers, or finance companies have offered a payment holiday, but this is on an individual basis, and depends on what type of finance agreement you have.

PAYDAY LOANS

These are not covered under the FCA's current instructions for the payment holiday. Therefore, you will need to contact the lender directly and explain that you cannot afford the payments and ask for a payment holiday. Also ask can the interest be frozen until such time as you can continue to make the payments again.

If you find yourself short of money, due to the wait for Universal Credit payments to come through, or if you are self employed and your business has had to be suspended temporarily, think very carefully before you take out a payday loan to tide you over. Explore the options of payment holidays rather than sign up to a high-interest payday loan, which you may find that you cannot pay back.

Also, taking out a payday loan SERIOUSLY damages your credit file for a long time, so avoid these if at all possible.

GUARANTOR LOANS

Companies who offer loans, which require a guarantor, have agreed that they will not be pursuing the guarantor of a person who is struggling to pay their loan. Although the payday loan industry does not fall within the guidelines of the high street banks, some are being sympathetic to borrowers and in many cases are offering payment holidays. The person who took out the original loan needs to contact their creditors individually with their reasons for not being able to pay at the current time and proposals for making payment going forward.

LOAN SHARKS

An industry which will be thriving in the current financial climate is the illegal money lending business. This industry is not regulated, there are no rules and no redress. Steer clear of anyone offering to "help you out, financially", and report them, anonymously, to the Illegal Money Lending Team on 0300 555 2222, or email: reportloanshark@stoploansharks.gov.uk.

**For more advice, contact us on 0151 662 0059
(Tuesday and Wednesday—11 am—3 pm, and Thursday, 11 am—1 pm)
or via email on enquiries@liverpoolcommunityadvice.org.uk**