



Is there life after **DEBT?**

Borrowing has never been easier and it's common to end up with repayments we can't afford. But don't panic – however much you owe. Three Bella readers who fell into the credit trap explain how they're coping

As prices are slashed in the January sales, it makes it easier and easier for us to spend. But for an alarming number of people paying with credit cards and loans, larger borrowings and rising interest rates are making it harder to keep up with the monthly repayments.

Debt occurs for many reasons and, surprisingly, not just to those with a buy-now-pay-later attitude. Just look at Anthea Turner's younger sister, TV presenter Wendy, who declared herself bankrupt after a serious illness made it difficult for her to find work.

There's a growing number of divorced women and single mums in the UK with a big financial burden who often have no option but to take out a loan to cope with it. Neil Munroe

Feature: Victoria Harvey, Photos: Andy Webb/Contrasto

of Britain's biggest credit-rating agency Equifax says.

Rachel Williams of *Moneywise* magazine adds: 'We live in a very materialistic society. And the thing we place the most value on is our home. But in many parts of the country people are taking on mortgages that are virtually impossible to pay off.'

Homeowners aren't the only ones struggling with debt. Female students and women at the start of their careers are among the worst affected by credit card debt.

One recent study showed 2.4 million 18- to 24-year-old Britons are juggling unsecured debts averaging a massive £2860.

So how do you cope if it happens to you? Here's how three women found very different solutions.

Back to work with a 10-day-old baby

Debts forced mum Sayara Beg, from Hackney, London, to make a heart-wrenching decision

Spending the money

A year ago I had it all – a restaurant business with my husband Will, two flats I rented out, a good job and our second child on the way. But the restaurant started losing money and we used my credit cards to tide us over. Soon it looked as if we might lose the business.

'Don't worry,' I told Will, 'I'll remortgage the flats.'

The debt

By now I had three mortgages and debts on two credit cards. The payments were huge, but I earned good money as a freelance IT consultant. Then, with four months till the baby was due, I lost my freelance contract. So I asked my lenders for a payment break and put the flats up for sale. But I was being threatened with repossession court hearings.

Will and I managed to keep hold of the restaurant, but we were living a nightmare. The creditors left me alone when my baby was due and I had a daughter,

Anna, but the joy was overshadowed by the worry.

The solution

I needed to get a job so I fixed up an interview within days of Anna's birth. None of my clothes fitted and I felt uncomfortable as I'd had stitches, but when I was offered the job I was so relieved.

Going back to work when my baby was 10 days old broke my heart, even though my mum was looking after her.

I just hope that when the debts are paid off all the effort and sacrifice will have been worthwhile.



Sayara with her daughters Alice and baby Anna



I lay in bed panicking about our debt

Shelley Ellin from Hemel Hempstead, Hertfordshire, was thrilled when she and her husband bought their first home together. But they hadn't allowed for all the extra costs



Spending the money

My husband Ryan and I always dreamt of owning a home. We talked for hours about how we'd decorate it.

We got together a deposit and found a lovely house with a £165,000 mortgage. But I worried about the monthly £700 repayments.

'We'll be fine. It's an adventure,' Ryan said.

I was shocked at the removal firm's fee. We'd put everything into buying the house and we had to take out a loan to cover it.

Then we took out a second loan to buy kitchen appliances and furniture and a third and fourth to pay for the two cars that we'd need to get to work.

The debt

We were £12,000 in debt and I lay in bed at night

panicking about it all, trying to work out how we'd gone from being financially secure to this.

Then soon after moving in, we noticed the lights flickering and discovered the place needed rewiring. But we couldn't afford it.

The solution

Desperate, I saw a loans adviser at the bank. And despite our big mortgage and other debts we were approved for another loan.

We both have full-time jobs but making the repayments on the £20,000 we owe on top of our mortgage is tough and every penny we earn is accounted for.

Becoming a homeowner was my dream, but I wish I'd saved up and planned before making it a reality.

COPING WITH DEBT

If you can't keep up your debt repayments, the worst thing to do is ignore the problem and hope it'll go away on its own – it won't. Take these steps to deal with your debt now.

- Make a list of how much you owe and who to. Mortgage and rent payments are the most important, to avoid eviction. So tackle them first.

- Speak to your lenders. They may agree to you stopping payments for a while if your problem is a temporary one. Or they could arrange an IVA to pay off the debt at an affordable rate for you (see Mel's story, below).

- Find out how else you can make money. Is there a skill you have that could help you with a second job from home in the evenings? Can other family members lend you the money instead of a bank or finance company?



- Sell possessions to pay off debt. Online auction sites are a great way to make cash which can then be used to pay your bills.

- Bankruptcy is the final straw for those in debt. But while it seems an easy way out, those declared bankrupt find it very difficult to get credit. You also lose control of your assets, including your home.

- For advice and help contact the Citizens Advice service at www.citizensadvice.org.uk. The Consumer Credit Counselling Service on 0800 138 1111, or National Debtline on 0808 808 4000. For emotional support contact Debtors Anonymous on 020 7644 5070 or visit www.debtorsanonymous.org.uk.

just couldn't stop shopping

Mel Batten, from Launceston, Cornwall, wanted the best for herself and her family. But she just couldn't afford it...

Spending the money

When my eldest, Bradley, was a baby I'd go out for essentials and end up with lots of outfits and toys. But my maternity allowance didn't go far and I was always overdrawn.

One day I saw an ad for a catalogue that offered interest-free credit. I was soon buying the clothes I wanted.

When Bradley was three, things were good. I was working and renting my own place. I'd met a new partner, John. I had a girl, Kimberley, and Christmas I spent £500 on all sorts from cot mobiles to toys.

The debt

Soon I had three credit cards, two loans and debts with four catalogue companies. I owed £22,000. By the time I fell pregnant with my third child, I was missing rent payments.

The solution

Shortly before my baby was due I made an Individual Voluntary Arrangement (IVA) – a legal deal arranged through a financial company. I make one affordable payment that's distributed between everyone I owe each month. Now if I really want something I save up for it!



Got a story? E-mail bella.hotline@bauer.co.uk