

# Your Debt Management Plan (DMP) Frequently Asked Questions

**The aim of this document is to provide you with quick access to answers to frequently asked questions about your Debt Management Plan (DMP) with Atlantic Financial Management.**

**Atlantic Finance (UK) Limited is authorised and regulated by the Financial Conduct Authority.**

**Atlantic is a member of the Debt Managers Standards Association ([DEMSA](#)).**

## Your DMP- Frequently Asked Questions

### Frequently Asked Questions reference guide

Ref	FAQ	Link
1	What is a DMP?	<a href="#">Link</a>
2	Do I have to undertake a review every year?	<a href="#">Link</a>
3	How can I access free debt advice	<a href="#">Link</a>
4	What happens if I miss a payment into my DMP?	<a href="#">Link</a>
5	Should I spend time looking at my monthly SPP statement?	<a href="#">Link</a>
6	What does the <i>arrangement</i> status mean on my SPP statement?	<a href="#">Link</a>
7	What is MyAtlanticAccount?	<a href="#">Link</a>
8	Why does my SPP statement show that interest & charges are not frozen on all my debts?	<a href="#">Link</a>
9	What does my monthly management fee cover?	<a href="#">Link</a>
10	Why should I access my credit report regularly?	<a href="#">Link</a>
11	Why I am still receiving notices from my creditors?	<a href="#">Link</a>
12	My circumstances have changed. What should I do?	<a href="#">Link</a>
13	How often do you update the balances on my account?	<a href="#">Link</a>
14	What happens if a doorstep collector or bailiff comes to my house?	<a href="#">Link</a>
15	Can I pay off my accounts early?	<a href="#">Link</a>
16	Important points to remember about your Atlantic DMP	<a href="#">Link</a>

## 1. What is a DMP?

Atlantic Financial Management offers all-round [debt advice](#) and a full range of Debt Solutions for all UK legal jurisdictions (i.e. England & Wales, Scotland and Northern Ireland), including [Debt Management Plans](#) (DMPs).

A Debt Management Plan, often shortened to DMP, is an informal arrangement that helps you manage your debts and pay them off at a more affordable rate by making reduced monthly payments to your unsecured creditors using a Debt Management Company (DMC), such as Atlantic Financial Management. It is referred to as an informal arrangement because it is not binding on your creditors, though in our experience well over 96% of the credit agreements that we are managing have interest & charges frozen. Debt Management Companies like Atlantic Financial Management are fully authorised by the Financial Conduct Authority (FCA) and DMPs need to be administered in accordance with the [FCA Handbook](#).

The basis of a Debt Management Plan (DMP) is that you will repay the total outstanding balance of your unsecured debts over the lifetime of the DMP, which will be estimated at the outset by Atlantic Financial Management and then will form part of your annual statement-of-affairs and your monthly Single Payment Plan (SPP) statement. This will include the outcome of our negotiations with your creditors.

We will calculate what we believe that you can reasonably afford to repay your creditors every month using an industry recognised budgeting tool like the [Common Financial Statement](#) (CFS). When we make the calculation, we will make allowance for any monthly management fees that we charge and we will initially assume that creditors will freeze interest & charges on your accounts, which is not guaranteed.

There are free-to-consumer providers of DMPs like StepChange Debt Charity.

The duration of your DMP is an estimate and based upon your circumstances when the initial debt advice or plan review is provided. This will be regularly reviewed based upon changes in circumstances, creditor requests for a review and your annual review with Atlantic Financial Management. You will receive an updated financial statement each time you have a review and it is important that you review and sign the final statement as being a true reflection of your financial position at that point in time. The strengths of a DMP are its flexibility and informality, such that it can act as a short (transitional), medium or long-term debt solution. Transitional DMPs may be suitable when combined with other future events (e.g. sale of assets).

## 2. Do I have to undertake a review every year?

**Yes.** As a regulated firm, we must ensure that any financial statement sent to your creditors on your behalf is accurate, realistic and a sufficiently complete account of your income and expenditure, debts and the availability of a meaningful surplus disposable income. This represents the monthly **Single Payment Plan** (SPP) payment made by you to Atlantic Financial Management.

As part of your advised review, our aim is to continue to meet your personal objectives with regard to the management of the unsecured debts that we are acting upon. Where you are in a joint DMP then we will take account of the objectives of both parties in the plan. The review can be undertaken at a pace to suit you, which can include several time efficient stages, if required. We can undertake the review using Skype and you can complete much of the process without the need to spend a lot of time on the phone. Flexibility is key. It is important that we are made aware of any material changes in circumstance.

To arrange your debt solution review:

- To undertake a telephone review by speaking to an adviser call **01234 836 206**
- Book on-line at [www.atlanticfinancialmanagement.co.uk/review-appointment/](http://www.atlanticfinancialmanagement.co.uk/review-appointment/)
- Email [reviews@atlanticfinancialmanagement.co.uk](mailto:reviews@atlanticfinancialmanagement.co.uk) quoting your DMA number

### 3. How can I access free debt advice?

From 1 January 2019, the **Single Financial Guidance Body** (SFGB) brought together as one the Government's money and pensions support services delivered by the **Money Advice Service**, Pension Wise and The Pensions Advisory Service. You will probably see this advertised on TV through 2019.

You can contact the Money Advice Service for free debt advice by phone on 0800 138 7777 or online at [www.moneyadviceservice.org.uk/en/categories/debt-and-borrowing](http://www.moneyadviceservice.org.uk/en/categories/debt-and-borrowing). Calls cost no more than to a standard UK-wide number. Their website identifies a number of free-to-consumer providers, including those providing debt adjustment services (e.g. DMPs).

### 4. What happens if I miss a payment into my DMP?

Your creditors are generally willing to tolerate the occasional missed payment once your plan has been established and you have made regular payments to Atlantic Financial Management. They do expect to be informed of situations where a payment is not going to be made or is lower than the expected payment. This means that you need to inform us as soon as you are able using your usual points of contact.

Where you are unable to pay us then we will need to determine whether this is an affordability matter that is likely to continue. This may trigger an advised review of your DMP. We need to establish that you continue to have a surplus income and that DMP remains in your best interests. **As a minimum, your projected plan length will be extended by the number of missed payments.**

Your DMP may be at risk of termination if you have missed 3 payments into your DMP in a 12-month period. This is covered in your Terms of Business. You will get a number of written communications before this occurs and we encourage you to contact us where you have a major change in circumstances. There are options for us to deal with situations like loss of income or periods of illness.

### 5. Should I spend time looking at my monthly SPP statement?

**Yes.** Your monthly statement provides a summary of your plan every month. It is normally delivered by email or into the [MyAtlanticAccount](#) customer portal. The SPP statement includes the details of the latest distributions to the active credit agreements in your DMP, the estimated balances, the outcomes of our negotiations (i.e. is interest frozen), the monthly management fee being deducted from your SPP payment and the projected plan length remaining based upon the money being distributed to your creditors. It will include important information about the status of your account.

We sometimes include a covering letter regarding important points to remember. This can include reminders like the anniversary of your review or events that we have diarised from previous reviews (e.g. retirement dates, one of your children turning 18, benefit reviews, new tax rates, new benefit rates, months where there is no council tax payment). We will advise you when credit agreements have been settled.

## 6. Why does my SPP statement show that interest & charges are not frozen on all my debts?

Your creditors do not have to agree to freeze interest and charges, as a DMP is not a binding agreement. Some creditors or their collection agents will continue charging interest until a plan has been operating for several months. There are several debt buyers that do charge post-judgment interest on debts subject to a county court judgment (CCJ), these can be subject to a charging order. This forms part of the on-going assessment of the suitability of your plan and the debts that are included.

Some creditors may significantly reduce the interest being applied (e.g. credit card interest from 23% to 3%). We continue to seek to get interest and charges frozen through the plan.

We will sometimes recommend that some debts are paid directly by you to the creditor where they require a much higher payment (i.e. non-pro rata payment<sup>1</sup>) to reduce or freeze interest. This occurs where we can't offer all your creditors a fair share of what you can afford to pay.

Missed payments or a creditor discovering that you are paying other creditors on an unfair basis may result in interest being re-applied. This is more common where you have taken out credit whilst in a DMP or have continued to use a credit facility (e.g. Overdraft, credit card or mail order account) through the lifetime of a DMP. Creditors have access to your credit file. We encourage you to access your credit file free of charge (e.g. Noddle, ClearScore) so that you can see what your creditors can see and to monitor the progress of your plan.

## 7. What does my monthly management fee cover?

It covers the cost of administering your DMP, including the provision of regulated debt advice and regulated debt adjustment services, involving the handling of client money (i.e. collection and distribution of your SPP payment to the creditors in your plan through a ring-fenced account). The administration includes undertaking reviews whenever there is a material change in circumstances or at the request of your creditors. It also requires us to deal with changes in collectors or the owner of the debt. The majority of debts in a plan will change ownership at some point in the plan. Ensuring payment continuity can be challenging where creditors don't adequately notify you or us that a debt has been sold or assigned.

We provide you access to a client portal (i.e. [MyAtlanticAccount](#)) and a range of means of engaging with us, which includes providing debt advice over the telephone. We recognise that different customers wish to engage with us through different medium (e.g. Email, SMS, WhatsApp) and at different times of the day. Many employed people are not available during the normal working day and wish to discuss sensitive matters at a time to suit them.

Our monthly management fees are set out in your Debt Management Agreement, the latest Terms of Business and reflected in your month SPP statement. They are designed to be simple and transparent.

We do not charge monthly management fees where someone is unable to pay their monthly SPP payment, however, we are unable to sustain this for very long, as the work involved in re-engaging with you and

<sup>1</sup> [https://www.nationaldebtline.org/S/steps/step4/Pages/Step\\_4\\_03.aspx](https://www.nationaldebtline.org/S/steps/step4/Pages/Step_4_03.aspx)

liaising with your creditors during periods of non-payment can be more time consuming than when payments are being regularly received. **Missed payments will extend the estimated duration of the plan.**

Customers that don't engage in a review when requested require considerably more time commitment than those that fully co-operate with the review process and the submission of evidence to support their current financial position. We are here to help you regain control of your finances. We are not a debt collector. We sometimes have to deal with situations where a customer does not want to follow our debt advice recommendation.

## 8. What does the arrangement status mean on my SPP statement?

**Active** – We are currently paying this creditor for you each month.

**Settled** – This account has either been settled directly by you, settled through our Full & Final service or settled by paying debt in full through your DMP.

**Pending** – We are currently awaiting further information either from the creditor or from you to allow for payments to recommence. This could be because the account is currently in the process of being transferred to a Debt Collection Agency or a Debt Purchaser.

**Hold** – This could mean that one of your accounts has been amalgamated or you have advised you are self-managing this account.

## 9. What is MyAtlanticAccount?

We have an online account ready and waiting for you. If you've not already signed up with us, just email us at [portal@atlanticfinancialmanagement.co.uk](mailto:portal@atlanticfinancialmanagement.co.uk) with your DMA reference, mobile number<sup>2</sup> and the email address you would like to use or just call us on **0330 332 3000** and speak with one of our customer support team. You will be able to access your account at [www.myatlanticaccount.com](http://www.myatlanticaccount.com).

**Here are some of the benefits of using your online account:**

- Reduce unnecessary paper, telephone calls and post
- 24/7 online access, 365 days a year, showing all activity on your account and the current status
- Ability to securely message us and obtain timely responses from the Atlantic team
- Make immediate payments onto your account and keep your payments up to date
- Upload documents (e.g. Photo evidence supporting your review) to us and also access online documents we hold for you (e.g. Your SPP statement, financial statements following a review)
- Receive important alerts and actions required on your account
- Inform us of any changes in circumstances, so we can review the suitability of your plan and any action that we need to take with your creditors.

<sup>2</sup> Security involves sending SMS messages to your mobile

## 10. Why should I access my credit report regularly?

From the outset of your plan to the conclusion of the plan, it is beneficial to you and to Atlantic Financial Management to be able to monitor the progress of the plan and to determine that creditors have properly reported your payments and the status of the DMP on your credit file. Our aim is to provide an accurate assessment of your financial status from the outset of our relationship and to assess your potential vulnerability to identity fraud and irresponsible credit marketing.

Many customers that approach us are worried about the impact of any debt solution on their credit file. The impact will vary from one debt solution to another. All formal debt solutions will involve public record information on your credit file that will be held for at least 6 years. We will be able to monitor when public record information (e.g. any CCJs) or defaults age off your file. These may well be evident before you start your plan and will, therefore, age off sooner than 6 years into the plan.

There are a number of providers of 'free for life' credit reports currently advertising on TV (e.g. ClearScore, Noddle) and my credit providers offer a service to their customers. Making the sure the status of each account is correct is very important, as you would like any negative data to be deleted from your credit file after 6 years or thereabouts.

If you are able to make debt settlements then these will be recorded on your credit file and this will trigger deletion of the credit agreement 6 years after what is recorded as a *partial settlement*.

It is important that we also monitor priority payments like your mortgage, secure loans, HP, utilities, current account and mobile phone accounts. These all contribute to your credit score and we would expect these to be kept up-to-date through your plan because we have made a realistic budget allowance for these costs.

## 11. Why I am still receiving notices from my creditors?

Usually when you appoint a third party such as Atlantic Financial Management to deal with your debts, your creditors will direct all contact through us.

There are certain notices, however, that they will usually send directly to you (i.e. under the Consumer Credit Act 1974, as updated in 2006). These are part of their regulatory obligations as a consumer credit firm.

These are:

- Notice of Default Sums
- Notice of Sums Arrears (if the contractual obligation has not been met)
- Default Notice (where they intend to register a default)
- Annual Statement

Though these notices may look intimidating, they generally do not mean that your creditors are going to take any further action. They have an obligation to keep you informed about the status of your debt through these notices. They do generally contain useful balance updates and often confirm whether interest is still being applied (e.g. the Annual Statement will usually show any interest deductions from our monthly payments).

We encourage you to communicate this information to us. You can simply email this information to us quoting your DMA reference to [portal@atlanticfinancialmanagement.co.uk](mailto:portal@atlanticfinancialmanagement.co.uk). You can post correspondence to us using a normal envelope quoting your DMA number and writing to:

**FREEPOST ATLANTIC**

## **12. My circumstances have changed. What should I do?**

Please let us know if this is the case through your usual points of contact.

We will initially discuss your financial situation and how the change in circumstance affects you and your ability to continue to manage your money and pay the creditors in your plan. Where you are in a joint DMP then it is important that we are aware of changes for either party in the plan.

If the change in circumstance is severe and there are priorities ahead of your unsecured creditors (e.g. Eviction from your rented property, serious illness) then we need to know immediately and we will sign-post you to the most suitable contact to deal with the emergency.

Where your surplus income reduces, we can review whether the DMP remains in your best interests or whether you need some breathing space where the situation may be temporary.

If you are able to pay more this should reduce the length of time remaining on your plan which will, in turn, reduce the amount that you will pay in fees to us so should cost you less in the long-run. It may be the case that you can settle some or all of your debts or self-manage your debts.

## **13. How often do you update the balances on my account?**

At least annually if the creditor co-operates. Generally, every 6 months. As interest & charges are frozen at a very high level, we will provide estimated balances in your SPP statement.

We do take updated balances from credit files that are sent in to us. We also rely on you sending in creditor paperwork that includes up-to-date balances or settlement balances, which can be different.

If you are paying an unsecured creditor directly then don't expect us to have an up-to-date balance. This will be discussed on review, as will the balances on your mortgage, secured loans and HP. If there are arrears being directly repaid by you to your priority creditors then we will want to obtain up-to-date balances to determine whether this will release a greater surplus towards your unsecured debts in the future.

As rule of thumb, if you have paid off any debts or instalments that now release surplus income then you should notify us so that we can accelerate the rate at which you become debt free.

A DMP is not designed to pay a set amount of money every month for a fixed period of time. It is designed to repay to your creditors what you can reasonably afford using an industry standard budgeting tool.

## 14. What happens if a doorstep collector or bailiff comes to my house?

Find out who they are without opening the door. Ask for identification and the account or matter that they are meant to be dealing with.

Determine whether they are a doorstep collector or a bailiff. When bailiffs visit, they should show you identification such as a badge or ID card, when you request it, so you know who they are. The same applies to regulated debt collectors. **A bailiff is unable to force entry on any of the debts in your DMP.**

As long as the account is not a legal account and they are not a bailiff, you do not have to answer the door or let them in. Refer the case to us and make them aware of your DMA reference.

Link: <https://www.nationaldebtline.org/EW/information/bailiff-action/Pages/Bailiff-golden-rules.aspx>

You should get notice in advance that a bailiff is likely to call. If you know that a visit is likely, make sure that you do not leave any external doors open. Although bailiffs can no longer get into your home through an open window, it is still a good idea to keep your windows closed.

## 15. Can I pay off my accounts early?

Yes. If you have some funds and would like to put this money towards settling some or all of your debts then we have a dedicated full and final settlements team who are able to negotiate on with your creditors to look to get the balance of these accounts reduced for you.

We are able to provide advice as to how you are likely to get the best result where the sum of money you have is insufficient to clear all of the debts in the plan.

Common sources of funds are PPI reclaims, gifts from family, inheritances, sale of assets and surplus funds from irregular income (e.g. Bonus, seasonal income, dividends).

For smaller balance debts, you may be able to settle these in months where you are not paying Council Tax (e.g. February and March).

Your creditors are likely to request information on the source of the funds and they may request an up-to-date review.

## Important points to remember regarding the on-going suitability of your DMP

- That you remain aware of your obligations to pay priority creditors which could result in loss of access to essential goods/services or eviction/re-possession from your property.
- That remain aware of the potential consequences of not continuing to make repayments under credit agreements or consumer hire agreements. From the outset you will have been made aware that you have been making reduced payments to creditors since the outset of plan and this was covered in the original contractual documentation and review that is in your debt solution folder. The outcomes of negotiations are communicated to you every month in your SPP statement, which includes the estimated balances on each account and the outcome of the negotiations.
- You should be aware that you shouldn't ignore correspondence or other contact from lenders and those acting on behalf of lenders, whether these be lenders/collectors in the plan or not. We have encouraged you to provide any correspondence to Atlantic using the FREEPOST facility below. We have provided clear information on how to contact Atlantic by phone and by email.
- You should be fully aware that creditors can take action to recover debts, which may involve further cost to you.
- You should be fully aware that there is no guarantee that there will not be future recovery or legal action by the current collector or future owners of the debt whilst in a DMP. The current status of the plan is explored on review of your plan and the impact of the new disposable income considered in terms of the likely creditor reaction. The potential risk of future recovery action being recommenced forms part of the review.

You can post correspondence to us using:

### **FREEPOST ATLANTIC**

Remember, feel free to call us on 01234 753060 to discuss your account in more detail.