

1. What is Persistent Debt?

Persistent Debt is where over a period of 18 months you've paid more in interest, fees and charges than you've repaid of the amount borrowed

The Financial Conduct Authority (FCA) has introduced new rules designed to help customers avoid this long term credit card debt. Under these new rules, we will write to you to let you know that your account is in Persistent Debt and what options you should consider to pay off the balance more quickly and get out of Persistent Debt.

If your account is still in Persistent Debt a further 18 months after we first wrote to you, we will write to you again. We will ask you to contact us to discuss how you can get out of Persistent Debt.

2. What do I need to do to get out of Persistent Debt?

If your account is considered to be in Persistent Debt, we'll write to you to ask if you can afford to increase the amount you pay each month. Paying more towards your credit card balance will save you money in interest and will also help you to repay what you owe quicker.

3. What will happen if I've been in Persistent Debt for 36 months?

We will contact you to let you know what options you should consider to pay off the balance more quickly (usually within three to four years).

You'll need to contact us to talk about your account. If we don't hear from you within 30 days we'll suspend your account which will mean you won't be able to spend on it.

4. What will happen if I do agree to pay more each month?

We'll help you work out how much more you need to pay off each month so that you'll repay your credit card balance within the next 3-4 years. If you can afford to pay an even higher amount you may be able to get out of Persistent Debt sooner and pay less interest overall. You may also find it easier to set up a fixed payment Direct Debit for this higher amount.

5. What if I don't get in touch with you?

If you receive a letter because you have been in Persistent Debt for 36 months, we'll give you 30 days to get in touch.

If you don't call us we will suspend your account which will mean you won't be able to spend on it. You'll still need to pay at least your contractual minimum payment and you'll continue to pay more interest than you would if you were able to increase your monthly payments.

6. What if I don't want to increase my payments, can you suspend my credit card?

Yes, the new rules say that we must suspend your credit card if you decline to take action to repay your balance more quickly even if you can afford to do so or if you don't contact us. You won't be able to use your card for any new spend.

You'll still need to pay at least your contractual minimum payment and you'll continue to pay more interest than you would if you were able to increase your monthly payments.

7. I'm making my contractual minimum payment each month so why are you telling me to pay more?

Keeping up with your contractual minimum monthly payments is the most important thing, but consistently making minimum or low payments for a long time is an expensive way to borrow money. If you can pay off the balance more quickly by increasing your payments you will save money as you'll be paying less interest and you'll repay the outstanding balance more quickly.

8. What should I do now and why should I get in touch?

First of all, please don't ignore any letters we send you. Give us a call and we can discuss a way forward that works best for you.

You'll still need to pay at least your contractual minimum payment but we can discuss with you how you can pay off the balance more quickly and get out of Persistent Debt. If your account remains in Persistent Debt for 3 years and you don't contact us, we'll suspend your credit card, so you won't be able to use it for any new spend. .

9. What if I can't afford to pay any more?

These new rules are about helping you save money over the long term, but if you are worried and are finding it difficult to meet your current contractual minimum payments, or can't make increased monthly payments, call us to see how we can help.

Alternatively, if you would like to speak with someone independently about free, confidential and impartial advice on your finances, you can contact organisations such as:

- StepChange (www.stepchange.org)
- PayPlan (www.payplan.com)
- Your local Citizens Advice (www.citizensadvice.org.uk)

These organisations provide a source of help and guidance and will be able to give you information about different options available. If you're already in touch with an organisation giving you financial advice, please let us know and we can deal with them directly

10. Does being in Persistent Debt have an effect on my credit report?

Making minimum or low payments over a long period can have an effect on your credit rating. However, there's nothing on your credit report about you being in Persistent Debt, or that your card may have been suspended due to Persistent Debt, so this won't affect your credit score.