

Citizens Advice Rural Cambs (CARC)

Case Study

April 2020

Summary

Client, 44, single, currently homeless and living in a hostel. She is not currently working due to mental ill health (diagnosed with depression and anxiety) which she receives ongoing medical support for from her GP. The client was previously in a financially abusive relationship where she took out credit for her partner. Additional debts accumulated when the client lost her zero hours contract job and her relationship broke down. She was also evicted from her Housing Association property for non payment of rent. These former tenant arrears were preventing her from bidding on permanent social housing accommodation via Homelink system She is unable to work due to mental health issues and she is therefore in receipt of Universal Credit

Issue to be resolved

Debts relate to credit cards, unsecured loans and catalogues. The client believes that there are additional debts with companies that she does not have any evidence of. Identified initially that debt level was approximately £9500 All available options explored and after discussion the client wished to opt for a Debt Relief Order.

Action taken

Credit reports were obtained to try and obtain a clearer picture of the level of debt. Also approached Fenland District Council as thought that there may be additional debt relating to the property that she was evicted from. It was established that there were also Housing Benefit overpayments and Council Tax debt. There were also additional creditors that had not located the client. This increased her debt amount to approximately £19k A Debt Relief Order application was submitted and subsequently approved. Also assisted the client to apply for Personal Independence Payment due to the impact that her mental health has on her daily life.

Result

The client was able to have a fresh start from her debts. The Debt Relief Order cleared

£19,002.58 of unsecured debt and enabled the client to start bidding on permanent accommodation. This will also enable her to maintain her mental health without the anxiety of the debts. She was successful in her award for Personal Independence Payment. The client later returned once she secured permanent accommodation and

a grant was accessed for her to obtain white goods and simple furnishings for her new flat.