



What is Persistent Debt?

This is defined by the Financial Conduct Authority (FCA) as where, over an 18 month period, more is paid in interest, fees and charges than repaid from the original amount borrowed.

This usually occurs because only the minimum payment is being made which may only go towards interest, fees and charges resulting in the credit card balance not reducing.

Why has this been introduced?

As credit cards are designed for short term borrowing carrying a balance which incurs interest over a long time can be expensive. The FCA introduced persistent debt to provide help and support to customers who find themselves in this situation. These measures are meant to guide customers on clearing their debt quickly and avoiding increased costs of using their credit card.

How will these changes help me?

To help you manage your account we will advise you when you are close to reaching your credit limit and will also give you more control over any increases we may make to this limit.

If your account is considered to be in persistent debt we will be in touch to ask if you can afford to increase the amount you pay each month. Paying more towards your credit card balance will reduce the amount you pay in interest. If you are able to pay more towards your account you can increase your Direct Debit through online servicing or by calling us.

What if I can't afford to increase my monthly payment?

If after a further 9 months from our first letter your account is still considered to be in persistent debt, we will write to you again asking you to consider your options. If after a further 18 months your account remains in this situation we may consider suspending or cancelling your account to help you out of persistent debt.

What if I need further advice or help?

If you can't afford to make the minimum payment on your credit card or your account is in arrears and you are unable to increase your payments please contact us and we can provide you with options and assistance.

Alternatively you can contact the organisations below who all provide independent financial advice:

- Money Advice Service: www.moneyadviceservice.org.uk
- Citizens Advice Bureau: www.citizensadvice.org.uk
- Consumer Credit Counselling Service: www.cccs.co.uk
- National Debtline: www.nationaldebtline.org
- StepChange Debt Charity: www.stepchange.org