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MONEY BOX LIVE

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LEWIS: Hello. Last year, you took out the credit. This year, you're feeling the crunch. That's the message from debt advice organisations throughout Great Britain as more and more people find the global credit crisis is getting personal. Affordable credit can very easily become unmanageable debt if you lose your job, your income falls, or your circumstances change - so today, Money Box Live takes your questions on credit and debt. Bank of England figures out this week show the amount we owe as individuals is edging closer to one and a half trillion pounds. Two hundred and thirty-three billion of that is consumer credit - though in a welcome change, that did fall slightly from November. Although interest rates are at a historically low level, the cost of borrowing isn't falling for everyone. Average credit card rates have risen over the last year, and doorstep and payday lenders are still charging hundreds of percent on short-term loans. Perhaps you're finding banks unsympathetic, borrowing getting out of control, or you just want to take sensible steps in good time to manage your money. Whatever your question, you can call now - 03700 100 444. With me today are Beccy Boden-Wilks, a debt adviser at National Debtline; Martin Lewis, who's the founder of Moneysavingexpert.com; and in Glasgow, Liz McVey, Manager at Consumer Credit Counselling Service Scotland. Our first question is from David who's calling us from Sheffield. David, your question?

DAVID: Good morning. Just a quick word, just to say to Martin that's an excellent website I use a lot.

M. LEWIS: Thank you very much. Very kind of you. What a great caller! Do your question! Whooh!

DAVID: My question is I have I suppose what you'd call a relatively modest credit card that's being handled by a collections agency at the moment. And I've been in a number of agreements with them to pay £100 a month, which I'm not having trouble paying but I'm having trouble paying it on a monthly basis. So I've broken five agreements, but over the last 8 months I've paid £800. So they've said obviously they're going to take me to court and pursue all of that. I suppose my question is, is it reasonable to ask for quarterly repayment packages or programmes? And also if I do end up in any kind of debtor's court, where do I stand having actually paid £100 a month even if I'm breaking the agreement?

LEWIS: Yes. Presumably, David, your income comes in in sort of irregular lumps?

DAVID: I lost my ... well I say lost. I mean the job I was in kind of dematerialised several years ago and I've been working from home in sort of self-employed IT.

LEWIS: Right, yeah, so you're ...

DAVID: And I'm taking care of kids, so it's very bitty work and part-time and it sort of drops in. So you know next February I know I've got a couple of invoices getting paid, but since November I've not had anything.

LEWIS: Sure. Not at all unusual I think for people who are self-employed.

DAVID: Well this is it, yeah.

LEWIS: Beccy Boden-Wilks?

BODEN-WILKS: Okay then, so this is a credit card that you had. And did you default on the original agreement? Did you miss the sort of minimum payments? Is

that how it ended up with a ...

DAVID: Well I ended up ... Yeah, I ended up in the collections department with both my current account and my credit card account.

BODEN-WILKS: Right, okay.

DAVID: And they kept my current account on and they passed my credit card debt, which is substantially smaller I should say, to a collections agency. And they passed it to their internal collections agency and now it's actually sort of with a third party altogether, I think.

BODEN-WILKS: Okay, I mean they're quite standard sort of debt collection processes.

DAVID: Yeah.

BODEN-WILKS: I mean if you're still struggling with that £100 a month or you can't afford to pay it when the amount falls due, you need to look at doing another budget sheet and saying to them, "I can afford x amount on this day of the month". If they really don't want to accept it, you call it the debtor's court but what they'd actually do is apply for a County Court Judgement and then you just fill in the forms and say to the court look, this is all I can afford and you know I need to pay it on this day of the month.

LEWIS: But from what David's saying, it's not the amount he can't afford. It's the fact that it has to be paid on 22nd of every month. He wants to be able to pay it more flexibly. Is that possible?

BODEN-WILKS: Well because he's already defaulted on the original agreement - i.e. he's missed a payment, he couldn't afford the minimum payment - so now it's kind of ... for want of a better expression, it's a bit of a free for all in the sense that

you've defaulted on the original agreements and now you just negotiate what you can afford to pay.

LEWIS: So negotiate through the court if that's necessary?

BODEN-WILKS: Ultimately, if they want to take it that far, but there's no reason why they have to. All you've got to do is just say look, this is all I can afford and this is when I can afford to pay it.

LEWIS: And is it something where David might need help from your organisation or Consumer Credit Counselling Service to sort of get this really rolling properly?

BODEN-WILKS: Yeah, absolutely. You can call us or you can visit our fantastic website as well. *(laughter)* It might even give Martin Lewis's website a bit of a run for its money.

LEWIS: I'm sure yours is excellent and links to all of them are on our website. Martin, you want to add something?

M. LEWIS: Yeah. David, this may sound an obvious question, but if you can afford to make the payments, why aren't you provisioning that money aside so it's there when you need it?

DAVID: Because I'm not a money saving expert. I mean this is the problem. I am quite erratic with my finances and my finances are quite erratic. And I've remonstrated to them on the phone and I've said that I can pay it. I've got to pay it out when it comes in because it all comes in and then it all goes out.

LEWIS: That doesn't fit in with agreements and monthly payments, does it?

M. LEWIS: No, it doesn't. I mean I have to say, David ... I'm going to say this to you, David, because in life there's very few places where you have the moral

authority to tell someone off a little bit and this is perhaps one of them. You know you're in a situation where you need to be slightly ... If you've got the money ... If you haven't got the money, it's a different scenario; but if the money is coming in, you need to be less erratic. And when that money comes in - once your other crucial payments have gone out, the first £100 you put aside and you leave it sitting there because you're going to mess yourself up. And these people, their job is not to help you; their job is to get their money back and there is a bit of self-protection. But I mean going to one of the agencies mentioned - CCCS, Citizens Advice, National Debtline - that helps whenever you get to court because they want to know that you've been actively trying to seek a settlement and it's good evidence, having spoken to those guys, that you have been actively trying to deal with this.

LEWIS: Okay, thanks for that Martin. And Liz McVey, just to bring in the Scottish end of this. I know David obviously isn't in Scotland, he's in Sheffield, but what would your advice be in a similar situation with your court system in Scotland?

McVEY: It would be very similar. The only trouble is in Scotland I would say that the courts tend to be less understanding than they are in the county courts, so trying to make an offer of payment every other month is probably not going to work and the repercussions are likely to be a wee bit harsher up here.

LEWIS: So stressing what Martin said about setting that money aside?

McVEY: Yeah. The only thing I would maybe add to that is it may well be that the payment itself is too high, so if you think about reducing that and where possible paying more.

LEWIS: Yes, so you'd have a lower payment you have to meet, but as the money came in David or someone in his position could add another hundred quid or whatever it was?

McVEY: Absolutely. And that way you're maintaining the payment that you say that you are.

LEWIS: Yes, you're not breaking the agreement and you're bringing down the debt.

McVEY: Exactly.

LEWIS: Martin, very briefly?

M. LEWIS: There really is a clarion call to people across the nation here. Debt companies are getting more harsh and more disciplined. When you earn money, if you're self-employed you put the tax aside, sitting in a bank account, because the Inland Revenue will come after you. These are days where we have to start becoming self-sufficient and really managing our money carefully. And this isn't about David; this is about generally. Everybody out there, do not sit there thinking someone's going to come and rescue you because in the current climate that isn't happening as much as it used to be. You have to budget, you have to put your money aside. If you don't do it, be prepared to face the pain.

LEWIS: So as well as not lending as much money, they're also much more anxious to get it back because they need it?

M. LEWIS: Yeah.

LEWIS: Thanks very much for your call, David. Raised some interesting issues. We're going now to Scotland to Claire in Aberdeen. Claire, your question?

CLAIRE: Good afternoon to everybody. Please forgive the nerves. My husband and I have been on a debt management programme for the last 5 years. We've two more payments and then we've completely fulfilled all our debts.

LEWIS: Congratulations.

CLAIRE: The money that we have been paying to the CCCS, who have handled it very, very well for us, we want to start saving that and we want to move house next

year. Now we're hoping that we don't need any mortgage, any credit, anything at all; but if we do, are we penalised for the rest of our lives?

LEWIS: Right, so when you move you'll sell one house and buy another with the proceeds without borrowing more?

CLAIRE: Yes, yes.

LEWIS: But you *might* have to borrow more?

CLAIRE: But we might have to borrow depending on where we need to move to.

LEWIS: Sure. Let's start with Liz in Scotland. Liz?

McVEY: I think it probably depends what is recorded on your credit file. For example, like a default notice. It's got 6 years to stay on your credit file, so you may be coming to the end of that. But I think the fact that you've shown that you have 5 years of regular payments is fantastic. And not just because it's with us, but I think that really is very, very good. And what we can do for you is to give you a letter to any mortgage lender to confirm that you've made these payments on a regular basis, you've paid off obviously a substantial amount of debt, and that lets any new lender see that you have an ability to pay through budgeting wisely.

LEWIS: And, Liz, although obviously you're praising Claire, as I did ...

McVEY: Absolutely.

LEWIS: ... it's a very good thing to have done - but it is helped, isn't it, by going to an agency like Consumer Credit Counselling Service Scotland ...

McVEY: Very much.

LEWIS: ... where somebody can set things down and put you on the right track?

McVEY: Very much.

CLAIRE: Absolutely because we were just, we were going from one to another and not really getting anywhere. Whereas once it was all sort of put together you know and somebody actually spoke to us and gave us a plan, it was much easier.

LEWIS: Yes. Martin?

M. LEWIS: First of all, good luck for your debt free day when it comes in a couple of weeks. That's going to be fantastic. What I would say is you take that letter from the CCCS that they're going to give you. You take it to a good whole of market mortgage broker who will be able to talk to the lenders about saying look, whilst the credit file isn't that good, here we have a letter. You want someone who's going to be acting on your side, both sides - so CCCS on the back end for the debt; and on the front end for the mortgage, a good whole of market mortgage broker. You know you need someone who's going to fight your corner for you. But actually if you're not talking about upgrading that much, you know the more sensible advice is try and avoid having to get any borrowing in the first place and don't price yourself out of the market. You're debt free, you own your own house. What more could you want? Why borrow again?

CLAIRE: Thank you. And your website's great as well.

M. LEWIS: (*laughs*) It's a love fest.

LEWIS: I think we'll have a moratorium now on praising each other's websites. I'm sure they're all brilliant and I'm sure the Consumer Credit Counselling Service Scotland one is good as well.

BODEN-WILKS: I hope the next caller will come on and say, "I've been on the

National Debtline website and that's fantastic".

LEWIS: Yes, yes - yes, okay. Thanks very much for your call, Claire. Raised interesting things as well. And we're going now to Matlock where Stephen has a question. Stephen, your question?

STEPHEN: Hi. I've not actually been on the Debtline because I'm in the fortunate position that I don't have any debt apart from a mortgage. My situation is that I was made redundant in May last year, and coincidentally I was 50 in May and I've not been successful in securing employment. What I've lived on since May is contributory jobseeker's allowance, supplemented by savings and/or what I've been able to raise through selling some non-essential items - guitars, musical equipment mainly - and I've now reached the position where my savings have dipped below the threshold. I've made a new claim for jobseeker's allowance based on income and I received the assessment earlier this week that said I was entitled to £20. I've also claimed council tax benefit, but there's a backlog of between one and two months for that to be processed. The position that I'm in is that I have a mortgage and I have regular outgoings in respect of other things like phone, the council tax that I've already paid, etcetera, etcetera, which amount to sort of outgoings of around £1300 a month.

LEWIS: So you've a big gap between your income and your expenditure.

STEPHEN: A massive gap. And the reason that I've got savings is basically because when I originally took out the mortgage, there was an early redemption penalty, so I decided to save money so that I could pay the mortgage off at the point that I retire because the mortgage extends beyond my age, 65. So I'm fortunate that I've saved the money.

LEWIS: So what specifically, Stephen, do you want us to help you with?

STEPHEN: It's really what other sort of avenues in terms of benefits (hopefully in the short-term) that I might be able to pursue because clearly there's a significant gap

between the 20 ... I think it's £20.70 that I've been awarded and the £1300 that's disappearing from my bank account.

LEWIS: So you're trying to avoid debt by increasing your income. Beccy, there is help with mortgages now, isn't there, or mortgage interest payments now?

BODEN-WILKS: There is, yeah. Hi, Stephen. Have you spoken to your mortgage lender at all?

STEPHEN: I've not, no.

BODEN-WILKS: Okay. Well the first thing to do is speak to them with a copy of your budget sheet, saying "Look this is all my income is at the moment. I've had advice. As far as I'm aware, I'm claiming everything that I can", but I'll come onto that in a moment.

M. LEWIS: *(to Beccy)* Could I ask you a question on that, from your perspective? Should he go to his mortgage lender first, or should he go to one of the debt counselling agencies first and go with them to his mortgage lender? Which would you recommend?

BODEN-WILKS: I would say speak to your mortgage lender first and just say "Look, I'm in difficulty". I mean there are so many government initiatives at the moment. We've got the pre-action protocol where banks are saying look, we're not going to start repossession proceedings you know before sort of 3 months of arrears. So people shouldn't be frightened of talking to their lenders. You know try and keep an open dialogue with them. But if you're not happy with what your lender says or you want to know what other options are available, then absolutely National Debtline, Citizens Advice Bureau, Consumer Credit Counselling Service. So if you speak to your lender, then they should agree, say yeah that's fine, you know you do have three months kind of grace period. But, yeah, you know get some other advice as well. But with your benefits, it could be that you might be entitled to a social fund loan, a crisis loan. Get them to reassess your jobseeker's as well because if your savings are under

the threshold, unless you've got non-dependents living with you that are sort of classed as income that's taking you over and that's why you're only getting £20 a week, you need to get some more specialist benefits advice really.

LEWIS: Yes. And it is possible now that he will get some help with his mortgage interest.

BODEN-WILKS: Yeah.

M. LEWIS: Are you getting support for mortgage interest? Have you applied for that one?

STEPHEN: Well I thought I had because I took along the latest mortgage statement and a letter from my building society with the latest repayment.

LEWIS: Was this recently, Stephen, because the rules have changed?

STEPHEN: Yeah, yeah.

LEWIS: It was.

M. LEWIS: How big's your mortgage?

STEPHEN: I can tell you exactly when it was. It was 28th January, so last week.

LEWIS: Ah, right.

M. LEWIS: I mean that support is available and they pay it at 6%, as if you were interest at 6%, so for many people it will actually help with their repayments as well. And there are two other government schemes. I've just actually written a guide on this and it should be on the front page of my site. It's worth reading if you're in mortgage arrears - the three different government schemes there are, and there's an entitlement

checker to work it out. But also very much what you say. The social security emergency loan that might just be able to get you through a few weeks and there are no real criteria for that; it's judged on a case-by-case basis.

LEWIS: So I think, Stephen, it's not just ...

M. LEWIS: Until your council tax benefit comes.

LEWIS: ... it's not just a debt advice agency. You might want to go to Citizens Advice who can give advice on benefits as well as debt advice. And I think you know well done to you for trying to sort all this out before it makes a big problem. I'm sure there are a lot of people in your position who've lost their job recently and many people in their 50s who can't get another. Thank you very much for your call and good luck with that. Amy's now calling us from a place called Mobile. Amy, what's your question?

AMY: Hello. I'm a bit nervous as well actually.

LEWIS: We're all nervous, Amy. Just tell us your question.

AMY: (*laughs*) Basically before starting university this year, I took a year and a half out to do work experience and was working part-time and amounted four and a half thousand pounds worth of debt that I chose to do on unsecured credit cards because the interest payments at the time were lower with the 0% interest offers than getting out a career development loan between 8 and 9%. Now I'm clearing off that money fine - it's down to £3,800 at the moment - but what I'm really, really worried about is the fact that they're going to withdraw 0% offers where you're paying 3% per annum and where I stand should they suddenly stop offering any offers and I end up paying 24% APR. I just won't be able to afford the repayments.

LEWIS: Right. I mean I think there was some shaking of heads here at your initial choice about how you did manage your debt in the first place, but we can't do

anything about that, Martin.

M. LEWIS: A career development loan is interest free while you're studying and you can then choose to pay it off. You could have then if you wanted to start on credit cards use a credit card afterwards, which would have helped your credit score. But let's not look at this post. Are you in work at the moment?

AMY: I'm actually finding it really difficult to get work. I didn't think it would be so difficult. Before I was temping in order to fit in with voluntary work. Now that temping work has dried up, probably because employers are cutting back, and I'm applying for part-time work while I'm studying.

M. LEWIS: Okay because what I'm slightly confused about is were you worried 0% deals would stop generally across society or that you specifically personally won't be able to get them?

AMY: No, I should think that my credit rating is okay. Partly I don't know how it changes when you become a student because I haven't actually tried ...

M. LEWIS: Well your problem is lack of income, I presume, unless you have ... Do you have other income?

AMY: Just the student loan. It's six and a half.

M. LEWIS: Yeah, you see this is not about ... Credit rating is just one of the three areas they look at. It's previous dealings they've had with you and info on the application form. Your problem is you don't have any income, which is going to mean people aren't going to lend you money. That's my big worry. There's no shortage of 0% deals out there. They haven't stopped for people who've got a good credit score and good income. So the problem here is what happens when it ends if you haven't got a job. How long have you got?

AMY: Well I've got until August on £1,000 ... well it will be £900 by then. And then I've got until February on another £2,700.

M. LEWIS: Right. Well I mean the current focus is we have to hope you're in work by then, in which case it shouldn't be a problem getting a new deal. What I would suggest is something rather bizarre. Normally we talk about paying off as much as you can. What you actually need to do so that you're not going to default is as it's at 0% and it's not costing you anything at the moment, only pay the minimum. Store up the cash so you can keep going once that minimum ends. Then once one card ends its minimum, then you focus your cash on repaying the card that's charging you the interest as much as you can. You know if you've got a job by then, we want you to pay it all off; but if you haven't, then you just keep the spreading the money that you've got to last longer, keep making repayments and hope a job comes in soon and you apply for a new one. And if that doesn't work, you go and see one of the debt crisis agencies.

LEWIS: Beccy?

BODEN-WILKS: Yeah, I think ... I mean the thing that's kind of puzzling me here as well is if you've got no income, what are you living on? I mean there is a danger that if you've got your credit cards - if you're using them to live on, the debt's just going to get bigger and bigger. So your minimum payments are going to get higher and higher, and with no income how are you going to service them? So really a follow on from Martin's advice, you need to look at budgeting. And if there comes a point that you're not working and you can't afford the minimum payments anymore, it's more important that you eat and that you can afford to heat your home. That's more important than saving your credit rating. At the end of the day, you can't give them what you don't have. And there are fantastic deals out there for people that can afford them, but if you've got no income you're really going to struggle.

LEWIS: Amy, do you own your home or are you buying a home?

AMY: No, I'm in the fortunate position of *not* owning a home at the moment.

LEWIS: Okay. Well let me just ask then - I mean not perhaps particularly for Amy - but let me just ask about bankruptcy. Is that an option in this kind of case, do you think Beccy?

BODEN-WILKS: What's the level of the debt, sorry? How much is it?

AMY: I'm currently on £3,800.

BODEN-WILKS: £3,800, okay. Well that's below the limit for bankruptcy. Bankruptcy has to be over £5,000.

LEWIS: Okay.

M. LEWIS: I know your question was journalistic, Paul.

LEWIS: It was general.

M. LEWIS: General. What I would say is in Amy's circumstance, I mean there's a long way to go before we ever conceive of that. She can still service her minimum repayments at the moment, so bankruptcy isn't something ... wouldn't have been even on my lips for a long time.

BODEN-WILKS: No and it's below the legal limit anyway, so she wouldn't qualify.

LEWIS: Okay, Amy, thanks for your call. I mentioned it partly because I know there have been new rules in Scotland. Liz, what are the new rules in Scotland about going bankrupt?

McVEY: Well, firstly, it's not £5,000 in Scotland. It's £1,500, so that's quite a big difference to start off with.

LEWIS: Indeed.

McVEY: The new rules are basically from April last year and we have a scheme called LILA, which is Low Income Low Assets, which means for anyone who's earning less than the minimum wage or living on benefits, they can apply to basically have their bankruptcy appeal and it costs £100. So it means that people in Scotland who previously were unable to consider bankruptcy as an option because it's technically quite difficult to do that here can basically go straight for bankruptcy. So it's much easier, much better, and it's allowing people who need that as an option to be able to do it.

LEWIS: And it's led to a big increase, hasn't it?

McVEY: Huge increase, about 150% increase.

LEWIS: But obviously only in the right circumstances.

McVEY: Absolutely.

LEWIS: Beccy, is there anything similar here?

BODEN-WILKS: We have. We've got something called debt relief orders that are due to come in in April, which is kind of a mini bankruptcy, which sounds a little bit similar to what they have in Scotland already. If you've got debts below £15,000 and you've got no assets or assets of less than £300, then yes it's like a little mini bankruptcy and the fees are £90. But you need to apply for it through an approved intermediary. It's not like with bankruptcy where you just fill in your debtor's petition.

LEWIS: Right. And of course we have to make clear, don't we with bankruptcy, it does last a long time? In fact we had an email about this just recently from somebody, from Nick in fact, who says 6 years after a debt, he's just heard on the programme, it's wiped off the credit reference computer. 'I'm a bankrupt. When my 6 years is up, will I have to declare my former bankruptcy when opening a bank account or starting

a business?’

BODEN-WILKS: It depends. Normally mortgage lenders will ask you if you’ve ever been bankrupt, but ...

LEWIS: And you have to give an honest answer to that even if it’s ...

M. LEWIS: If they ask you is the answer.

LEWIS: ... even if it’s 10 years old.

BODEN-WILKS: But it only stays on your credit file for 6 years. So then, yeah, if you just applied for a credit card or a personal loan. But yeah normally with mortgage lending, they’ll always ask.

LEWIS: And is that the same in Scotland, Liz?

McVEY: Yes.

LEWIS: Right. So it’s 6 years. And after that, if you’re asked you have to say; but if you’re not asked, you don’t have to declare it.

M. LEWIS: Exactly.

BODEN-WILKS: Yeah.

LEWIS: Okay. Another email now. This is from Maggie. This is a Scottish question and it uses terms, Liz, that I’m not familiar with, so you can help us with it.

McVEY: Okay.

LEWIS: Maggie says, 'I've just finished paying off a 3 year protected trust deed as I incurred serious amounts of debt, marriage breakdown, fees, two children etcetera'. Wants to improve her credit rating. How can this be achieved?

McVEY: Well protected trust aid is like an IVA or an Individual Voluntary Arrangement, and it's the Scottish equivalent sort of, probably with the fact that she's looking to kind of re-establish, isn't it?

LEWIS: She's trying to establish a credit record, but she thinks the way to do it is to borrow more money and then pay it back and she wants to do it without borrowing more money basically.

McVEY: Hmmn.

M. LEWIS: Well there is a way to do that.

LEWIS: Martin?

M. LEWIS: The first thing you try as a standard. Obviously it's behavioural predicting, so what you have to show is that you're a good debtor. So what I suggest you do is you first try to get a hideous, high interest rate credit card - something like the Aqua Card or one of the Capital One or Barclaycard high end rate for risk cards. They're going to charge you 40, 50% interest. You - and this is the bit I will shout - (*shouts*) set up a direct debit to pay it off in full every month, so you never pay a penny of interest! Because if you don't do that, morally I don't know what I'm doing on here. So you pay it off in full every month, then you're not actually paying any interest. And then you do that for a year or so spending 50 quid a month on it, always paying it off, and you start to rebuild a credit history. If they turn you down - and it can happen - there's a clever prepaid card, so that has no credit score in the beginning, that technically works so it loans you the money. It's called the Cash Builder prepaid card and you can get that. You're going to pay 50, 60 quid for it, and then you spend on that over a year and effectively that helps your credit score too. But go for the credit cards first.

LEWIS: Good advice. Well thanks very much for that email, Maggie, and thanks to our earlier caller. We're just going to go to Sue now in High Wycombe for probably our final call. Sue, what's your question?

SUE: Really how to deal with banks. My husband is self-employed, had a bit of a shutdown over Christmas. Obviously he's running a bit behind on his money, runs on an overdraft like most self-employed sort of sole traders, and he's been bombarded with calls from the bank constantly - 10 o'clock one Sunday morning. It's just non-stop and it's really depressing him, you know, and it's a worry.

LEWIS: I'm sure it is and it's really not how they should behave.

SUE: No, no.

LEWIS: Beccy?

BODEN-WILKS: No. I mean I think the first thing to do, as I say, is get some advice from Business Debtline, which is also run by the Money Advice Trust. Business Debtline is like National Debtline, but it gives advice specifically for people who are self-employed or sole traders because it can be difficult. Because normally if he wasn't self-employed and he was having difficulties with an overdraft, the first advice would be go and open a safe account with a lender that you don't have any debts with, but obviously it's difficult when that's a business account and you've got accounts coming in and going out. I mean the first thing with Business Debtline, they can help you sit down and do a business budget sheet. All of this is available on the Business Debtline website as well, so you can sit down and work out what you can afford to pay.

LEWIS: And what about the way the bank's behaving? Are you getting more calls like this from people who say that there is a problem with banks constantly harassing people for money?

BODEN-WILKS: Yeah, we have heard of banks wanting to turn overdrafts into loans and that kind of thing.

LEWIS: And withdrawing them at a moment's notice. Liz, sorry you wanted to come in there. (*silence*) No, Liz didn't want to come in. Sorry. Martin?

M. LEWIS: I'm interested in this. Is this a lack of money and funds? Are funds going to be coming in and it's a short-term issue, or is it a bigger ... you're not going to be able to pay it?

LEWIS: We seem to have lost Sue.

M. LEWIS: Well let me just say, one of the things ...

LEWIS: Say what you were going to say, Martin.

M. LEWIS: ... something technically people can do. There is a way of converting an overdraft to a 0% credit card. Now of course you've got to make the credit card payments, so this is a short-term solution. The MBNA ranges of cards, which have lots of nasties on them so you have to be slightly careful, never miss your repayment because if you're late you lose a deal, but both Virgin and MBNA allow you to do what's called a super balance transfer - well I call it one anyway - which is where effectively normally a balance transfer is when you get a new credit card to pay off debts on old credit cards for you, so you owe the new credit card the money. Here you can shift debt from your bank account to the credit card and it will pay money into your bank account. Virgin allows you to do that at 0% for 16 months with a 2.98% fee. So your super balance transfer from your bank account, you've now paid your overdraft off. Your overdraft is at zero ... Your credit card is at 0% and you make the payments on the credit card. There actually is a technical way to shift overdrafts to credit cards. Whooh!

LEWIS: Thank you for that, Martin. Very complicated. I'm sure there's more details

on Martin's website and certainly you can get that through our website.

I'm going to have to call time now because we are running out of time. My thanks to Martin Lewis from Moneysavingexpert.com; Liz McVey from Consumer Credit Counselling Service in Scotland; Beccy Boden-Wilks of National Debtline. Thanks to all of you for calls and emails. Sorry for those who didn't get through. More about debt and credit on our Action Line - 0800 044 044 - and our website, bbc.co.uk/moneybox where you can do all sorts of exciting things. And talking of exciting things, in two weeks time Money Box Live will be broadcast live from the Trafford Centre in Manchester as part of the BBC's Money Matters Roadshow. Experts will be on hand to give advice and you can even meet the Money Box team and watch the programme go out. That's at the Trafford Centre, Manchester, Wednesday February 18th. Back at noon on Saturday with Money Box. Here to take more of your calls, Money Box Live next Wednesday afternoon.