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MONEY BOX LIVE

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LEWIS: Hello. Christmas is coming and the lenders are getting fat. Credit card penalties, overdraft charges, even payday loan fees. If you borrow money to pay for Christmas, you can end up giving the lender more than your loved ones. So today Money Box Live is about credit, borrowing and debt. And not just about Christmas, of course: payday loans have become big business, lending nearly £2 billion a year and charging hefty fees to borrow small amounts for a short time. As Money Box reported last Saturday, banks can be no better, charging £80 or more to people who go overdrawn without permission for less than a month. So how can you borrow money without incurring hefty fees or penalty charges, and what can you do if you've already got into debt and have debts that keep you awake at night? Whatever your question on borrowing and debt, you can call us now: 03700 100 444. And with me today to answer your questions are Lynne Jones from the charity National Debtline; Nick Lord, a money adviser and debt consultant; and Kevin Mountford, Head of Banking from the comparison site Moneysupermarket.com. And just before we go to the first question - there's a lot coming in now - can I just ask all of you about this report that's been widely on the BBC news today about millions turning to payday loans. Lynne Jones, first. Do you get a lot of people now who've got into difficulties because of payday loans?

JONES: We certainly do. We're finding that that figure is actually increasing every single month. We started keeping figures towards the end of summer last year, at which point we were getting roughly 200 calls a month. In October of this year, we were actually receiving roughly 1,200 calls a month, so that's a real big increase in people that are struggling to repay those type of loans back.

LEWIS: That's 40 calls every day if my arithmetic's right.

JONES: Yeah, that's a lot of calls.

LEWIS: It is, isn't it? And Nick Lord, payday loans are an alternative. You can see why people like them - they're instant - but they are very expensive, aren't they?

LORD: They are very expensive. I mean one of the things unfortunately the payday lenders will argue: that, compared to unauthorised bank overdrafts, they can be very competitive for short-term lending. I think the real challenge with the payday loans is the number of people that we are already seeing (and will see even more with this massive growth in the market) who take out payday loan after payday loan, and I think the very clear message is payday loans are not a rational way for consumers to borrow money.

LEWIS: Yes I mean this research that was out this morning, although it was actually a very small sample of payday loan people, one in three of them took out a payday loan to pay off another payday loan, which really is going down the spiral, isn't it? Kevin Mountford from Moneysupermarket.com.

MOUNTFORD: Yes, I mean it's clearly a growing market. And whilst there are worrying aspects, I think it demonstrates there is a need for short-term low value borrowing.

LEWIS: Which the banks don't do of course, do they?

MOUNTFORD: They don't. And traditional personal loans for instance for that type is very expensive. I think the one thing I would say is that data is actually showing that it's not always lower earning families or people looking for distressed funding. I think it's starting to represent a shift in consumer behaviour and attitudes, turning their backs on more traditional banking solutions.

LEWIS: Yes, so people who could borrow more cheaply by traditional means are actually turning to these very expensive loans?

MOUNTFORD: That's what the data's suggesting.

LEWIS: Okay, thank you all for those comments. We'll go to our first caller now who is Lulezim in Croydon. Lulezim, your question?

LULEZIM: Oh my question is I got apparently a couple of loans from Barclays and in the end they paid me basically £1300 for PPI charges they made against me. But, meanwhile they were holding that money from me (as far as I'm concerned illegally), they were charging me for using what they call reserve and over 3 years the charges have amounted to something over £1500.

LEWIS: Yes. Now the personal reserve is something unique to Barclays, I think. You have an authorised overdraft and then you can borrow a bit more than that from your personal reserve ...

LULEZIM: Yes, yes.

LEWIS: ... but they do charge you. I think when I looked at the weekend, it was £22 for every 5 working days. So every week, isn't it?

LULEZIM: £22.50 exactly.

LEWIS: Right, okay. And that obviously has mounted up because you've not been paying it?

LULEZIM: Well it's not you don't pay it, but because you fall on that over and over and over and over again, and every time basically you go over your agreed overdraft they make that charge to you like you say every 5 days.

LEWIS: Yes, when you go into your personal reserve. So it's an unauthorised overdraft, but of course Barclays say because they've agreed it, it's not unauthorised, it's a personal reserve. Nick Lord?

LORD: Lulezim, can I ask you a question? When you found that you were exceeding the authorised overdraft limit and so Barclays were charging you £22.50 per time, did you get in contact with them and explain the situation and ask them if they could help you?

LULEZIM: I've been there so many times, over and over and over again. And basically what I did in the end, I asked for them to give me a loan, you know, because Barclays have given me loans before with no problem whatsoever because I haven't had any problem with money, never.

LORD: So this was to repay the overdraft? And what did Barclays say then?

LULEZIM: They said no, we can't give you a loan because you've got bad credit record because of these charges now.

LORD: Okay, alright. And how long after that did they continue to charge £22.50 for you being over the agreed overdraft limit?

LULEZIM: Well, like I say, over 3 years they charged me in excess of £1700.

LORD: Alright, okay. And have you complained to Barclays and have you taken it to the Financial Ombudsman Service?

LULEZIM: I have complained to Barclays because my argument when the PPI came up is because you've taken that money illegally from me, you kept it for over 7 years from me.

LORD: Those are separate things. So what you're saying is that Barclays have charged you after you've been in contact with them saying you've got problems.

LULEZIM: Yes.

LORD: I think what you now do, if you've complained to Barclays, is you take it further to the Financial Ombudsman Service.

LULEZIM: Well I have and actually with the Financial Ombudsman it's an ongoing investigation as far as I know.

LORD: Good, well you've done exactly the right thing.

LULEZIM: Yeah. What I'm saying ... Because I understand your point you say it's a separate thing, but, as far as I'm concerned, to me it's Barclays basically. They kept that money from me illegally, which was my money, and my argument is if I had that money I wouldn't need to go to the reserve at all, you know, because, like I say, it was something like over £1300.

LEWIS: Lulezim, I can understand completely why you think that, but that is not how the law or the rules work and you have to treat them as two separate things and you have to deal with the personal reserve charges completely separately. And I'm sure Barclays would say to you that when they did take the PPI, it wasn't illegal. It's since been ruled that they should never have done it, but at the time they would say that was okay. So you must keep them separate because all the time you put them together and carry on taking that line, the charges will mount. But you're with the Ombudsman, the best thing to do. Lynne Jones, can I just ask you briefly, do you get a lot of people who've got more and more and more growing charges and that's one reason they're in debt?

JONES: Yeah quite often an overdraft is the only debt somebody's got when they call us. You know certainly somebody that you know they've never actually gone out and borrowed any money and they just don't know how to get out of that cycle, that they keep exceeding the limits.

LEWIS: And Kevin Mountford, you do your comparison site Moneysupermarket.com. Can people go to that and look at the charges for authorised and unauthorised overdrafts on the site?

MOUNTFORD: They can and I think the critical thing in this respect is whilst it's not technically called an unauthorised overdraft, there are huge differences between the charges for one that's fully approved and those that are not. And we have to say that since the bank

charges case, we've seen a degree of creativity coming in from the industry that's looking at all sorts of charging mechanisms.

LEWIS: Creativity's a polite word. *(laughs)*

MOUNTFORD: Well quite and it actually led to increased confusion. And I think you've got to be very, very careful when you enter into any type of overdraft facility - really understand what you require, how much you require. But, importantly, these things can spiral out of control very quickly.

LEWIS: Yeah. And always get it authorised if you can. I know Lulezim had his own particular problem, but authorised overdrafts are actually very cheap, whereas unauthorised are very expensive.

MOUNTFORD: And it just takes a little bit more around planning ahead.

LEWIS: Thanks very much for that. And thanks for your call Lulezim and good luck with the Financial Ombudsman, which is the right place to go. Jo now from Leicester. Jo, your question?

JO: Oh hi. I wonder if you can tell me if it's true that if you apply to transfer to a 0% credit card, that that actually can affect your credit rating?

LEWIS: Right. And of course that can be a good thing to do if you've got a big debt and you want to keep it under control, at least pay no interest for a while.

JO: Yes.

LEWIS: Does it affect your credit rating? Nick?

LORD: Well the answer is if you apply for a loan or other type of credit, it is normally shown on your credit reference file, so it will show up as a search. In practical terms, Jo, so long as

you don't make more than say one application every 3 months, it's very unlikely to affect your ability to get credit. What the companies are looking out for are for consumers who are making if you like a scattergun approach for credit. So if your credit reference file shows that within the last 2 weeks you have made four separate applications for credit, then yes that will affect your credit rating, but not one application every 3 months.

LEWIS: Kevin?

MOUNTFORD: Yes, I would agree with that. I mean unfortunately you know we can't quite shop for financial products like we do with everything else, but the beauty of it is make sure that you're not making numerous applications. There are online tools that allow you to be a little bit smarter in the way that you shop and search, which they won't give you a guarantee but it'll show the propensity that you're going to get in terms of certain card offers.

LEWIS: And Lynne, can I ask you, do you think it is a good idea if you've got a credit card debt to put it on a 0% credit card? I sometimes say borrowing to pay off debt isn't paying off debt, but it's managing it sensibly, is it?

JONES: It certainly can be if you're a very organised person. What I would say to you, Jo, is bear in mind what your interest rate is going to be when the interest free period does run out. Sometimes it can actually work out long-term better to get a card with a low rate interest rather than a no rate interest.

LEWIS: A balance transfer for the whole of the balance if it's a low rate, yes.

JONES: Yeah, absolutely, because of how much you'll end up paying once that interest free period has you know ended.

LEWIS: Yes, you've got to be so disciplined and actually say I'm going to pay off this much every month and get rid of the debt by the end of it, which you can't always do.

JONES: Yeah. Just bear in mind a lot of credit cards now are linked to each other, so after a

period of time you may find it harder and harder to keep moving.

LEWIS: Yes and once you've transferred the debt, cut up the card to stop the temptation of spending on it.

JONES: Definitely, definitely.

LEWIS: Jo, I hope that helps. Thanks for your call.

JO: Thank you.

LEWIS: Thanks very much. That was Jo. And Debbie is now in Horsforth in West Yorkshire. Debbie, your question?

DEBBIE: Hello. My husband and I are both professional musicians. He is a principal in the opera company and he's earning about £30,000 a year. And I'm also a musician but I teach, and I'm on, I suppose you'd say, a pittance. And we've got a tax bill of £4,000 to pay by the end of January and this year it's not really been possible to save for this, and what I was wondering was is it possible to negotiate with the tax people to pay it in instalments?

LEWIS: I'm sure it is. When I was self-employed - when I was first self-employed, I should say - I always used to set the money aside. I was a bit of a goody-goody. I called it my sleep at night money. I'd rather have a bit of a debt and the money to pay the taxman because you know you've got to pay it.

DEBBIE: I know.

LEWIS: Nick Lord?

LORD: The answer, Debbie - yes it's certainly possible to negotiate with the Revenue. First of all though, the payment that you and your husband will have to make at the end of December is going to be the balance ...

LEWIS: (*over*) The end of January.

LORD: Sorry, the end of January ... is going to be the balance on the amount due for 2010-11 on the payment on account. Is there any reason why your profits for this tax year, 2011-2012, are going to be less than they were in 2010-11?

DEBBIE: Well I mean ...

LORD: The point I'm making, I'm sure you understand, is that you could apply to the Revenue to have your payment on account reduced if that was the case.

DEBBIE: I mean what sort of reasons?

LORD: Well if you made less profit in the tax year 2011-12 than you did in the previous tax year.

DEBBIE: I think it's more like ... I mean we have another family member living with us now. We have a son who's 30 who's living with us and you know I mean generally our expenses have gone up, but Opera North are on a pay freeze, etcetera, etcetera. I mean we're probably in the same boat as a lot of other people. But I mean realistically we should have put away about £75 a week, but I mean ...

LORD: Are you going to be able to put aside £75 a week from going on now because clearly you've got two issues here ...

DEBBIE: Yes, exactly.

LORD: ... you've got the liability in January and your ongoing liability. So what the Revenue are going to be looking for you to do is to get in contact with them, say this is how we're going to pay for our tax bills in future on an ongoing basis, and this is what we can do with the £3,000.

DEBBIE: I mean we were obviously thinking in future it would be probably more sensible for us to go on PAYE because it's such a problem.

LORD: Well that's a completely different matter as to whether you are an employee or self-employed.

DEBBIE: Yes.

LEWIS: Yes, you certainly can negotiate with the Revenue and they always say that. I think you've got to be careful that you're not ... You know you're going to have to pay this money one way or another and I think you've got to recognise that. And also although the interest the Revenue charge if you're late is very low - I can't remember the figures, it's 6% maybe now or something like that - but the penalties which started in October are actually quite high, so you might end up paying penalties as well. Nick?

LORD: One other point, Debbie. If your financial situation is now so strained that you are not able to put aside the amount of money you need to put aside in order to pay your ongoing tax liability, you need to take action to address your substantive financial situation.

JONES: If I can just add to that.

LEWIS: Lynne?

JONES: Obviously there are charities out there that may be able to give you advice to do deal with your situation, including Business Debtline, and they will give advice specifically to those that are self-employed.

LEWIS: Yes, I mean it's worth mentioning the charities now, isn't it? Business Debtline is part of your organisation for people in business.

JONES: Part of our organisation, yes.

LEWIS: There's National Debtline, which is a free service.

JONES: That's correct.

LEWIS: And there's also Consumer Credit Counselling Service, which is free ...

JONES: They're also a free service.

LEWIS: ... and of course your local Citizens Advice. There are links to all of those on our website: bbc.co.uk/moneybox. You can of course do an internet search for them, but do beware because the top several links that come up will be commercial companies, not National Debtline, Consumer Credit Counselling Service because they've paid to be there. So do be careful. Debbie, I think you're going to have to take some action and take care, but good luck with that. I'm going to read an email now because this is a slightly intriguing one to me. This is from someone who wants to remain anonymous whose son has admitted to them that he owes £40,000 to credit card companies. The gentleman who's emailed says he is in a fortunate position and he can pay it for him (and I think he would like to do that), but he wants to try and make sure that he doesn't get into similar debt in future, so can he put a warning note on the son's credit reference file? Lynne?

JONES: Okay the short answer there is no, you can't put a note on your son's credit file. Your son can place a note on his own credit file.

LEWIS: What, can he place a note saying don't lend me any money because my dad will be really cross?

JONES: He can actually place a note on his own file. If he is tempted to sort of quick over the counter credit - storecards, etcetera - he can place his own warning if he wanted on his file. The bigger picture of that is where you actually go from there. Do you lend your son £40,000? It's one thing being in the position to lend your son that kind of money. It's another thing if your son actually can't pay that money back to you and I would think very carefully before you take that kind of step. Nick?

LORD: Yes, I mean I'd be very cautious about putting a note on a credit reference file just because it may well be ... We don't know about the son, but for example the son may be a homeowner and may need a very competitive mortgage. I think it's a great offer that the father is making here. I think what the father should do is to think about how he can help his son to better manage his money in future. So if he's got 40,000 pounds worth of credit card debt, minimum payments at 3% a month is, what, £1200 a month. Well clearly if the son let's say in future at the moment he's paying 1200 to credit card companies (or trying to) going forward, the son and father could open a joint account together, pay £800 a month in, and the son would then get into the habit of saving and not using credit in future.

LEWIS: It's trying to make the son understand the gravity of what he's done rather than just getting rid of it and hoping it doesn't come back.

LORD: That's right.

LEWIS: Kevin?

MOUNTFORD: Yes. And I would add to that that you know the perception is at the moment that credit lines are tough to obtain, but this proves again how easy it is for things to spiral out of control. So I think the broader education piece I'd support the comments from before.

LEWIS: Okay, well thanks very much for your email. I won't mention your name or where you live for your own understandable reasons, but thank you very much for that and good luck with that and your son. Anna is in Swiss Cottage in London. Anna, your question?

ANNA: Oh hello. When is a creditor not a creditor? I am actually being treated as though I actually owe money. I don't actually believe in borrowing money and in fact my credit history is absolutely excellent. I did actually contact Equifax to see what was on there and my credit history is superb.

LEWIS: And so what's been happening, Anna? Who has been saying you've got debt?

ANNA: Well all sorts of organisations that seem to be ...

LEWIS: Have been writing to you?

ANNA: ... been writing to me. There's been no contact whatsoever.

LEWIS: Right, okay. Nick?

ANNA: So it's quite frustrating.

LORD: Anna, the thing is are these credit agreements? Are these things like credit cards and loans who are writing to you or are they utilities - mobile phones and gas companies and that kind of thing?

ANNA: Well it's gas companies, it's the mobile phone. I just find the whole thing quite bizarre really.

LORD: Okay. And have you actually written to these companies or got someone to write on your behalf asking to see a copy of the contract that you signed to take out these items?

ANNA: Yes, I have. I do want copies of contracts.

LORD: And have they written back to you and given you a copy of the contract?

ANNA: I haven't received anything whatsoever, so it's causing me a lot of stress.

LORD: Right, okay. What you do here - either you do it or you go to someone like Citizens Advice and you ask them to do it on your behalf - is you write to the companies and you say until they provide you with a copy of the written contract, you're not paying anything. And you also consider all of these organisations have got Ombudsman type services or places you can complain to, so you need to find out (perhaps with the help of your local CAB) where these third party sites are that you can complain to. But in the meantime you rely upon the fact

and you say to them you haven't provided me with a copy of the contract, therefore this is nothing to do with me.

LEWIS: Anna, thanks very much for your call. I think that's very sound advice. Go to Citizens Advice. They'll be able to help you. Or you know if you have any family members who could help you with that as well, that would be useful I'm sure. So thanks very much for your call. A very worrying thing. But if you haven't signed a contract, you don't have a debt. That's the basic rule. I'm just going to read this email because it's just come in from Sadruddin and he says he's met at least half a dozen people in the last 36 hours who had never heard of a particular method of borrowing that's been on the news and we've mentioned this morning, and now they're itching to get their hands on a payday loan to finance Christmas. How daft can people be? I mean what can you do for people who you warn them it's going to cost them 30 quid for every 100 they borrow and they still borrow it? Lynne?

JONES: You can't stop people taking out payday loans, and for those that borrow and borrow responsibly, if they know that they can pay that debt back, then maybe it is you know an answer. Certainly not the best answer, but you may feel it's the best thing in your situation. But time and time again we're coming across situations where people just cannot afford to you know pay those loans back and they are very expensive if you have to keep paying to roll them over. Paying a rollover fee, the interest, it can work out a very expensive way of borrowing.

LORD: If you've really reached the situation now whereby the only way you can afford to buy things for Christmas is through a payday loan, you have a significant financial problem. You are not going to solve that problem by taking out an expensive payday loan.

LEWIS: Yes because if you can borrow money almost any other way. I mean, Kevin, there are credit cards. We've heard of 0% and there are also low interest rate credit cards. That is a cheaper way even if you're going to pay the interest on them, isn't it?

MOUNTFORD: It is. I mean the difficulty now at this stage is whether you're actually going to be able to apply and get that card ahead of Christmas. But certainly if there are other ways of borrowing the money more cost effective, then there is the opportunity of consolidating. I

mean the one thing I would say, that you know very much the idea of a payday could be short-term joy that brings longer term pain. But I think the view is that if it's a one off and you take it responsibly, you're disciplined in paying it off, then fine; but I think anybody that needs to use it on more than one or two occasions a year, then clearly they have got some deeper problems.

LEWIS: Or, as Nick said, if you're in that bad a strait that you have to go to them, you have got a problem anyway. Let me just read you another email. It relates really to the call we had from Anna a few moments ago. This is from Steve who says a friend, a registered blind friend, can't see well enough to read anything, was telephoned by a loan company to vouch for her sister who was taking out a loan. And the person who's blind didn't understand she was asked to become a guarantor and she's received no paperwork, but the sister we're told has defaulted and the blind person paid the first instalment and now they're being asked for the second. Nick, is this another case where if you haven't signed a form, you can't be held liable for the debt?

LORD: Absolutely - there's no contract, there's no liability. The blind person may want to out of concern for her sister make the payments, but that's completely different to having a legal obligation to pay.

LEWIS: Sure. So it's the sister's problem and she should just ... And I mean it's terrible people are harassing a blind person over the phone for this kind of debt.

LORD: That's right. So the best advice that this gentlemen could give to the sister is if she can't afford to pay, she needs to negotiate reduced payments with the creditor.

LEWIS: Yuh, okay. Well thanks very much for that email, Steve. And we're going to our next caller now who's in Preston Candover and the name is Carl Smith. Carl, what's your question?

CARL: Oh hello, Paul. It relates to my mother-in-law. Unbeknown to us, they had accumulated quite a large debt of around about 20k. Around about £2,500 of that is in her own name. She's suffering from dementia. She was sectioned about 6 weeks ago and now

she's residing in a care home, so she lives totally independent from her husband. What I've done is I've kept the debt companies that are in her name apprised of the situation. Unfortunately there's no powers of attorneys in place, so they won't really speak to me. So they're continuing to write to my father-in-law and I've just advised him to send those letters back saying not known at this address, return to sender, and I just wondered what would happen with those debts?

LEWIS: Carl, can I ask you? You say £30,000, but £2,500 was in her own name. Whose name was the other £27,500 in?

CARL: That's in her husband's name.

LEWIS: Oh I see, so he's getting letters about a debt that actually is his?

CARL: Well yeah. I mean we've been to the bank about his debt and hopefully we're going to get on top of that, but what we can't really do and what we don't want to do is pay the mother-in-law's debt or give the mother-in-law's debt to the father-in-law to pay when it's in the mother-in-law's name.

LEWIS: I can understand that, but from what you're saying most of the debt is actually in his name. Lynne Jones?

JONES: Yeah if the debt is in your father's name, the majority of the debt, then obviously he is liable for that debt. He's not liable for any debt that's in your mother-in-law's name, in her sole name. In relation to that debt, lawfully yes she is liable to repay it, but in practical terms because of her health there are very strict guidelines in place about how creditors should deal with somebody with health difficulties, including mental health difficulties. It may actually be worth requesting from the creditor, even though they're not corresponding with you, that they actually do think about writing off that debt because she's not going to be in a position to repay. You can seek legal advice if your mother's not in a position to give ... mother-in-law, sorry, is not in a position to give power of attorney, but obviously the chances are there's going to be a significant cost involved and timescale with that.

CARL: I think that's the thing - the timescale. I've said to them well I've applied to the Court of Protection ...

LEWIS: Carl, can I just get a view from Nick Lord because we're getting a bit close to the end of the programme.

LORD: Carl, I'd be inclined to be pragmatic about this with regard to Lynne's explained there's no legal liability. Just one quick question: are they homeowners?

CARL: They are. And they have, unbeknown to us, got a large equity release as well.

LORD: Fine, okay. So what happens with regard to this debt clearly is your mother-in-law's got assets. So I think what you need to do is be pragmatic, explain the situation. And I think you're probably going to have to make an offer of payment because this debt does exist. Theoretically they could go after the house. But I think in practical terms actually, you've got a decent probability the debt collection firm will write this debt off so long as you fully explain the situation. So keep doing that.

CARL: Okay.

LEWIS: But the father-in-law is going to have to pay his debt because he's still ...

LORD: Absolutely, yes.

LEWIS: Yes, okay. Carl, thanks very much for your call. Briefly now, I'm trying to squeeze two more in. First an email from Sandy. 'My husband's been made redundant. We can't pay our mortgage. We've been allowed to make reduced payments for 6 months, but we're now told unless we make full payments they'll take us to court. The house is in negative equity. My husband thinks we should just give the keys back.' Is that an answer, Lynne?

JONES: I think your situation is very specific and you do need very specific advice on that. Handing the keys back isn't ...

LEWIS: It doesn't wipe out the debt, does it, no?

JONES: It doesn't wipe out the debt and you have got a continued liability for some expenses.

LEWIS: Nick, briefly?

LORD: You still will be able to negotiate with the mortgage lender if you want to stay in the house because of the FSA mortgage rules. What you need to decide now, Sandy, is whether you actually want to keep the property. Forget the financial side. Where do you want to be in 5 years time? Do you still want to be in that property?

LEWIS: Okay. And I do suggest ringing either National Debtline or the Consumer Credit Counselling Service. Details on our website: bbc.co.uk/moneybox. And now we're going to go to Ellen in London who has a question. Ellen?

ELLEN: Hello. Yes, I've been to both National Debtline and the Consumer Credit people and they both advise that my option for my £30,000 debt is to go bankrupt.

LEWIS: Right, just tell us about the debt. Who's it to?

ELLEN: It's to my original bank for overdraft and credit card, to another bank for a loan and ...

LEWIS: So you've been to the Consumer Credit Counselling Service, you've been to National Debtline. They both say go bankrupt and you want to know is there an alternative? Lynne, your organisation has advised one thing. Is there an alternative?

JONES: There may be alternatives. Obviously it very much depends on your circumstances, Ellen - so, for example, whether you own any property, whether you've got any money to repay back towards the debt every month. You know there may be other options. I'm assuming the fact that you'd spoken to National Debtline and CCCS that they have looked at

your situation and they have decided that bankruptcy is probably the better option. It's not necessarily the only option.

LEWIS: And Ellen, why do you not want to go bankrupt?

ELLEN: I can't afford the fees. *(laughs)*

LEWIS: Ah right. Well that's a problem Nick, isn't it?

LORD: It is a problem. Some charities may be prepared to help you if you've got some employment or anything other than that. The fee's substantial, £700. But if it's the only way, if it's the right thing for you - you've got no assets, limited ability to pay, you are clearly aware of the downsides - and there are significant downsides regarding bankruptcy - try and borrow the money from somewhere, a family or friend.

LEWIS: Okay Ellen, well sorry we can't do any more on your story - thanks very much for calling us, I hope that works out for you - because we've run out of time. Thanks to Nick Lord, money adviser; Lynne Jones from National Debtline; and Kevin Mountford from Moneysupermarket.com. Thanks to you for all your calls and emails. Sorry if you didn't get through. You can find out more about debt and borrowing from our website: bbc.co.uk/moneybox. You can listen again and in a couple of days read a transcript for all those things you forgot to write down. I'm back at noon on Saturday with Money Box and I'm here to take more of your calls on Money Box Live next Wednesday afternoon. Subject: banks and banking.