

£60,000 mortgage debt written off

Situation and action

John is in debt and owes a bank almost £60,000 for a mortgage on a property that was repossessed in 1996. He is separated from his partner with whom he has children. He lives with his parents in a two-bedroom house. He earns £240 per week and receives £30 per week working tax credit and has no savings. He had been paying his debt off at £10.00 per week, meaning it would take 115 years to pay off. He asked Citizens Advice West Oxfordshire (CAWO) if he should apply for bankruptcy to clear his debt.



"I had a debt problem. I hoped you could help me make it smaller or maybe write it off. It was from a large mortgage from ages ago. I had lots of problems with my ex, my kids are in foster care. I was going through hell. My Connections worker said go to Citizens Advice, which I did. Once I started doing bits and pieces and as the weeks went on, it got a little better and then it was alright."

Citizens Advice West Oxfordshire asked questions about my debt. I gave them my paperwork so they could see what we can do. I called back and we spoke again. They looked at what I paid per week. At first clearing the debt never seemed possible but eventually we came to agreement and it was good."

Outcome

Citizens Advice West Oxfordshire wrote to the creditor asking for the debt to be written off on the grounds that it was over 20 years old and that there was no chance that it would ever be repaid. After numerous phone calls and correspondence made by CAWO, **John's mortgage shortfall of £60,000 was written off leaving an outstanding balance of £328.38 left to repay at £40 per month.** John's debt will now be cleared in 9 months' time and he has avoided having to declare bankruptcy and ruining his credit rating.

"I think it's a good result. It was one of my problems ticked off. Regarding debt, I can't fault Citizens Advice. I still have issues. It's one thing after another. I am making progress. I don't drink or smoke. I stayed strong."

What would you say to people in your situation? *"Go to Citizens Advice and see what help you can get. They can help you. They are amazing. Cannot fault them."*