

Administration Order

An administration order is a repayment plan arranged by your local county court to cover all of your outstanding unsecured debt.

How an Administration Order works

Once accepted, you will make one payment a month to the court until you have satisfied the debt. The amount you pay each month is based on your disposable income after essential living costs have been accounted for. The court will pay this to your lenders on your behalf.

Your lenders won't contact you for payment or add interest to the outstanding balance once the order is in place.

If you can only afford a small amount towards your debts you can apply for a Composition Order. This means there will be a set date that your order will end and that your creditors will write off any remaining debt by this date.

To apply, you need to fill in an N92 form available from your local court. Once the debts have been paid off or satisfied, you will receive a 'Certificate of Satisfaction' from the court.

Qualifying Criteria

- You must have a CCJ issued against you.
- You must have two or more creditors.
- Your total unsecured debt must be less than £5,000.
- To apply you will need to fill in a N92 form which can be obtained from your local court.

Advantages

- None of your lenders can take further action against you without the court's consent.
- The court will deal with your lenders on your behalf.
- All interest and charges are frozen.
- You can apply for a Composition Order, as explained above.
- If your circumstances worsen, you can ask the court to accept reduced payments.
- You may be able to continue running your own business.

Disadvantages/Risks

- Creditors can make objections to the court and ask to be left out of the order – there is no guarantee that the court will accept this.
- If you fail to maintain payments, the order can be overturned and your lenders allowed to pursue you for the full outstanding balance.
- The court could impose an Attachment of Earnings Order meaning your employers will become aware of your financial difficulties.

Debts Included/Not Included

The law doesn't exclude any debts in particular from an Administration Order. When you apply, you must list all debts within your application. However, any lender can object to being included and, in such instances, it is up to the judge to decide whether any debts can be left out.

Costs

For every £1 paid into this Order, the court will retain 10p to cover administration costs. Over the course of your Order, the court will receive 10% of all your payments. This is taken from your monthly contribution and is not in addition to this payment.

If you have any questions relating to the above solution or you would like any further information please call us on 0151 252 0111.

Alternatively, to apply for the above solution, you can email debt.advisor@123ds.co.uk or complete an application form online at www.123ds.co.uk.

Administration Orders are only available in England, Wales and Northern Ireland. If you live in Scotland there are other options available to help you deal with your debts.