

# Settlements

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A full and final settlement is when you offer one lump sum to your lender(s) which is less than the outstanding balance in order to settle or 'satisfy' the debt(s). If the creditor accepts your offer, they will write the remaining balance off and will not proceed to pursue you for this. A settlement is often a suitable approach to take to paying your debts off if you come into a large sum of money. We have strengthened our relationships with a large number of creditors which allows us to negotiate fair settlement amounts for many of our clients. Instead of receiving small payments over long terms of repayments, lenders can benefit greatly from taking a lump sum payment and writing the rest of the debt off; they no longer have to use any resources in collecting the outstanding balance.

## **Where do funds generally come from for full and final settlements?**

In our experience, funds used to settle debts through settlements tend to come from one of the following sources:

- Friend or family donations
- Sale of assets such as a home or car
- Remortgaging, secured loan or releasing any available equity
- Redundancy payments
- Maturing of endowment
- Inheritance
- Pension pay outs
- Accident claim payouts
- Mis-sold insurance product reclaim

To assist in negotiations with your creditors we will need to know where you have obtained any offered funds from and in some circumstances may require proof of this also.

To help us with our negotiations, we may need to understand where your funds have come from. This may require you providing us with proof of receipt of funds.

## **Impact on credit file**

Settled accounts will remain on your credit file for six years from the date you settle the account if it has not defaulted previously.

If your debt has previously defaulted, the settlement will only show on your credit file until the end of this default – this is six years from the date the default was registered.

## **Costs**

If you wish to settle your accounts, we will charge you 18% of the amount you save subject to a minimum of £50.

If you wish to pay your outstanding balance in full, we will charge you 10% of the balance subject to a minimum of £50.

Your ability to obtain credit will be affected in the short, medium and long term.

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](mailto:debt.advisor@123ds.co.uk) or complete an application form online at [www.123ds.co.uk](http://www.123ds.co.uk).

Please note Settlements are available for all residents within the United Kingdom and those that live abroad with debts to UK based institutions.