

# Having difficulty paying?

Here's how we can help if you're  
struggling to make your payments

**We understand that sometimes life doesn't go according to plan and that can have an impact on you financially. It may be just for a short while, or over the longer term. Either way, we want you to know we're here to help.**

If for whatever reason you can no longer afford your personal loan, credit card, residential or second charge mortgage with us, then please make sure you get in touch as soon as possible on the phone number or email shown in the covering letter.

You can also write to us at: *Customer Servicing, Paragon, 51 Homer Road, Solihull B91 3QJ.*

By talking to you over the phone you can help us to understand your individual circumstances, so we can make sure the help we put in place is tailored to you and your needs. We may even ask you to complete a financial assessment and we'll guide you through this process.



## 6 Extending your loan term

*This option is only available to Residential and Second Charge Mortgage customers*

We may be able to extend your loan term to help reduce your monthly payments and make them more affordable to you. This will make sure that whilst you pay less than you currently do each month, you are still paying off your loan or mortgage but within a newly agreed term, providing you keep up-to-date with your payments each month.

**Key things you need to be aware of with this option:**

- Extending your loan or mortgage term will cost you more in the long run than if you'd kept to your original term, as you'll pay interest on your extra monthly payments
- Term extensions can be used in addition to capitalisation of arrears; however, this may result in an increase to your monthly payment

## 7 Capitalising your arrears

*This option is only available to Residential and Second Charge Mortgage customers*

If you've experienced a period of financial difficulty but are now able to continue with your normal monthly payments, we may be able to capitalise the arrears on your account. This means we'll add any arrears fees to the balance of your account, as they typically sit alongside your balance as an additional charge.

To consider this option, we will need to make sure a new monthly payment is affordable to you and that you are comfortable with the revised payments. We will also make sure that no other option mentioned in this leaflet is more suitable to you and your circumstances.

**Key things you need to be aware of with this option:**

- This option is not available if you have already capitalised payments
- By capitalising payments, you will increase your monthly payment amount and pay more over your remaining loan or mortgage term
- Capitalising your arrears means you are increasing the debt you have with us

**These are just some of the options we have available, so it's important that we speak with you to agree a solution, and make sure we understand your circumstances and can support you in the right way.**

# How we can help



Here are just some of the options we have available to help depending on your circumstances. To help, we've also included some of the key things you need to consider before agreeing to that option.

## 1 Non-payment period

You may be able to take advantage of a period of non-payment, where we do not expect you to make payments towards your account.

We offer this to those who have experienced financial shock and expect to be back on track within six months. It's a short term option only, available for up to a maximum of three months based on your individual circumstances. If after three months you are still struggling financially, then we can review your situation to make sure we're giving you the help and support you need.

With this option, if your circumstances improve sooner than you expected, you can cancel it at any time and return to making your contractual payments. There is also a 10-day cooling off period in case you change your mind.

**Key things you need to be aware of with this option:**

- We may continue to charge interest on your loan during this time which can increase your overall debt
- We will report your account as 'in an arrangement' to Credit Reference Agencies, but this option will still have an impact on your credit file
- You may not repay your loan or mortgage within the agreed term which means it may need to be extended. You may therefore pay more interest than you originally expected

## 2 Short term interest relief

Whether you're in arrears or struggling to keep on top of your regular payments, by talking to us we may be able to provide you with short term solutions with interest and charges to help you clear any arrears and/or help get you back on track quicker. This could include agreeing to freeze interest for an agreed length of time, typically up to three months, if your circumstances require it.

**Key things you need to be aware of with this option:**

- You may not repay your loan or mortgage within the agreed term. If it is therefore extended, you may receive interest charges and pay more than you originally expected

## 3 Reduced payment arrangement

We may be able to reduce your monthly payment for an agreed period, which could help ease you back into your normal payments. The arrangement will be based on how much you can afford to pay each month and is a short to medium term solution to financial difficulty, offered for a maximum of 12 months.

Again, with this option, if your circumstances improve sooner than you expected, you can cancel it at any time and return to making your contractual payments. There is also a 10-day cooling off period in case you change your mind.

The benefit of this option means that by paying something towards your loan, we'll charge you less interest than we would if you took a payment break or paid nothing.

**Key things you need to be aware of with this option:**

- If you take advantage of a reduced payment arrangement, you will still be responsible for paying off the amounts you have deferred, which may also incur interest
- We will report your account as 'in an arrangement' to Credit Reference Agencies, but this option will still have an impact on your credit file
- You may not repay your loan or mortgage within the agreed term which means it may need to be extended. You may therefore pay more interest than you originally expected

## 4 Interest only payments

We may be able to accept interest only payments towards your balance for an agreed period of time, up to a maximum of 12 months. This means your monthly repayment will be less but is enough to cover your monthly interest charge.

**Key things you need to be aware of with this option:**

- If you take advantage of this option, you will not reduce your capital balance
- When this arrangement ends, if you're able to we would expect you to return to making your full contractual monthly payments, plus an additional amount towards the payments you hadn't been making on your capital balance whilst paying interest only

## 5 Long term interest reduction or suspension

We may be able to help you by offering a reduction or suspension in interest and fees to prevent your account balance from increasing.

We recognise that some situations are out of our control and that your circumstances may be unlikely to change for a while. This is therefore a long term solution to help you if your situation is likely to last for longer than 12 months.

We may also suggest it in addition to another option mentioned in this leaflet, in order to support you during your financial difficulties.

**Key things you need to be aware of with this option:**

- You may not repay your loan or mortgage within the agreed term. If it is therefore extended, you may receive interest charges and pay more than you originally expected

## Independent help and advice

We'll do everything we can to help but you may also wish to seek to free, independent help or advice from one of the following organisations.



### Citizens Advice

☎ 03444 111 444



[citizensadvice.org.uk](https://citizensadvice.org.uk)



### National Debtline

☎ 0808 808 4000



[nationaldebtline.org](https://nationaldebtline.org)



### StepChange Debt Charity

☎ 0800 138 1111



[stepchange.org](https://stepchange.org)



### PayPlan

☎ 0800 280 2816



[payplan.com](https://payplan.com)



### Shelter

☎ 0808 800 4444



[shelter.org.uk](https://shelter.org.uk)



### Mental Health and Money Advice



[mentalhealthandmoneyadvice.org](https://mentalhealthandmoneyadvice.org)

Whilst you're getting advice and working out how you'll deal with your finances, we can offer you breathing space for up to 30 days. During this time, we'll put a hold on any collections activity you may be experiencing in the form of letters and phone calls. However, due to regulatory requirements you may still receive some letters or statements. We may also continue to add interest or charges as normal during the breathing space and this will be reported as non-payment for the 30 day period to the Credit Reference Agencies.

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