

DRO FACTSHEET (DEBT RELIEF ORDER)

WHAT IS A DRO?

A DRO (Debt Relief Order) is a **formal Insolvency solution**, that could help you if you cannot afford to pay your debts. It is sometimes referred to as a mini form of Bankruptcy. It is designed for people with debts below a certain amount and who have very little or no assets and a low disposable income.

In a DRO, you state your inability to pay your debts. Your debts, interest & charges are frozen for 12 months and if during this period, your circumstances do not change, then the debts included in the DRO are legally written off. The creditors (the people you owe money to) listed in the DRO will not be able to take any action against you.

HOW DOES A DRO WORK?

When you first seek debt advice, you are normally assessed to see what options are best for your situation. If you are eligible to apply for a DRO and feel like it is the best course of action for you, then an approved intermediary can help you with the application. This will be someone who is approved by a competent authority chosen by the government. The application is an online form.

Once the application is made it will be reviewed by a government official (also known as The Official Receiver) and if appropriate, they will grant the DRO. It normally takes about 10 working days for a decision to be made. The DRO will last for 1 year, and once your DRO has ended you are released from your debts (with certain exceptions).

The cost of a DRO application is £90 and the payment needs to be made before the application can be submitted.

THE CRITERIA FOR A DRO

- Your debts must not exceed £20,000
- Your assets must not exceed £1,000 (certain assets do not count, for example clothing, furniture and a vehicle worth less than £1,000); and
- your surplus income must not exceed £50 a month after paying your essential personal and household bills.

ADVANTAGES OF A DRO

- Your debts will be written off at the end of the DRO. There are a few exceptions, as explained opposite in disadvantages.
- None of the creditors listed in the DRO application can take further action against you without the court's permission.
- It allows you to make a fresh start after 1 year.
- The fee (£90) is affordable and can be paid in instalments but the fee must be paid before the application can be made.
- You will keep your assets and a vehicle as detailed above.
- The approved intermediary ensures that you are given appropriate advice and that you fit the criteria for a DRO.

IS A DRO RIGHT FOR ME?

A DRO will only be suitable for you if you suit the criteria. It is important that you speak to someone who is qualified and authorised to advise you on all options. There may be alternatives to a DRO that are more suitable.

At National Debt Relief we will assess your situation and advise on all suitable debt solutions available to you.

DISADVANTAGES OF A DRO

- Your DRO is entered on a public register.
- You cannot have a DRO if you have an existing bankruptcy order, an IVA, are subject to bankruptcy restrictions, or if you have had a DRO in the last 6 years.
- You will not be able to have a DRO if you own a house, even if it has no equity (value).
- You will remain liable to pay certain debts – in particular student loans, fines and some debts arising from family proceedings.
- Your employment may be affected.
- Your DRO could be revoked (withdrawn) if you don't co-operate with the Official Receiver during the year your DRO is in force.
- You cannot act as a director of a company or be involved in its management unless the court agrees.
- You will be committing an offence if you obtain credit of £500 or more without disclosing that you are subject to a DRO.
- You may have a debt relief restrictions order* made against you for 2 to 15 years if you acted irresponsibly, recklessly or dishonestly.

* An order that will place restrictions similar to those in force while subject to a DRO, which the Official Receiver may apply for.



National Debt Relief people are very helpful and very supportive to us since day 1 that we've been with them. Thank you so much. Highly recommend!

Cecilia | TrustPilot



ndr
nationaldebtrelief

Company Registration Number : NI051195 | Data Protection Registration No : ZA274007

National Debt Relief is authorised and regulated by the Financial Conduct Authority. Financial Conduct Authority Number : 671114

A fee is only payable where further services are requested. All fees will be explained in detail and discussed prior to commencement of any debt repayment plan. Repaying debt over a longer period may increase the total amount to be repaid. Creditors must deal with us for all aspects relating to your debt, but may still contact you with promotions.

Phonecalls: Calls from a landline are normally free. Please consult your provider if you are unsure. Calls from a mobile may be subject to charges.

National Debt Relief Limited, Templemore Business Park, Derry, Derry BT48 0LD, 0800 888 666 0