

Priority/Non-priority debts – Quick Reference sheet

AIC 20 – ST

Priority Debt

Priority debts are ones where serious action can be taken against a person if the debt is not paid, **such as losing one's home, being disconnected for energy supplies or going to prison**. The most important debts are not necessarily the biggest ones.

Non-priority debts

You can't be sent to prison **for not paying non-priority debts**. But if an offer to pay is not made without an explanation, the creditors **may take that person to court**. If the debt is not paid when the court has ordered it, the creditors can take further action. For example, the creditors can get another court order which allows them to send bailiffs round to take items, such as washing machines, away. This will be sold to cover the debts.

Please see the examples below.

Priority debts usually include things like:	Non-priority debts include things like:
Mortgage Repayments	Credit card and Store card Payments
Secured Loans	Bank Loans
Rent	Overdrafts
Council Tax	Catalogue Repayments
Utility Bills (not including water)	Home-collected credit, like a Provident loan where the agent collects payments weekly
Court Fines	Money you've borrowed from family or friends*
Taxes	Water Bills

* You may not realise it but friends and family aren't allowed to charge you interest on money they lend you or else they would actually need a credit licence.