A Yorkshire recovery expert is advising people in the region who are struggling to pay for the festive season not to allow a New Year debt hangover to cause them pain throughout 2016.

Adrian Berry, chair of R3 in Yorkshire and partner at Deloitte LLP, is recommending a ten-point action plan which can help people recognise, review and address their money issues.

Recent research by R3 found that, while debt concern has fallen across the region this year as the economy has improved, over a third (35%) of people in the North East, Yorkshire and Humberside are still worried about the amount of debt they have.

Credit card repayments remain the main cause of concern for those with debt worries in the region, followed by mortgage repayments and loans from friends and family.

Adrian Berry says: “At least dealing with the aftermath of New Year’s Eve festivities is short-lived, but sadly there’s no quick fix for financial problems and they can be a lot more painful for a lot longer if you ignore them.

"While debt concerns across the region have reduced appreciably over the last year, the first months of the year are often the time when overspending catches up with people or when they decide to take stock and get their financial situation under control.

“There are a number of measures that people can take when facing debt problems, the most important thing is that they face up to their situation and take swift, decisive action.”

R3’s top ten tips for managing a debt hangover are:
1. Act today. Putting off the problem is far more dangerous than dealing with it.
2. Ask for help. Much professional advice is free, whether it’s an initial consultation with a licensed insolvency practitioner, the National Debtline, Citizens Advice Bureau, or Insolvency Service Helpline.
3. Start by working out how much you owe right now with everything combined. Work out your income and expenditure too. Do not be vague.
4. Prioritise the payment of your debts. Identify your essential financial commitments and cut down on luxuries. Identify outstanding debts with the highest interest charges and prioritise paying these. Maintain minimum monthly credit card payments to retain your credit rating.
5. Communicate with your creditors. This will give them an opportunity to help which could evaporate further down the line.
6. Learn about your options. Bankruptcy, Debt Relief Orders (DROs) or Individual Voluntary Arrangements (IVAs) provide solutions appropriate to various levels of debt. These solutions are both statutory and highly regulated procedures, and not the “debtors’ prison” of Dickens. It will cost you time and money if you start in the wrong solution, so make sure you take advice about all of the options available to you.
7. Be transparent. Give full details about your financial situation to both creditors and the person from whom you’re receiving advice.
8. Take a breath and choose. Don’t allow yourself to be pressurised and make sure you are talking to a regulated professional rather than a provider who may seek upfront costs worsening the position.
9. Don’t use your credit card or ‘payday’ loans to plug the gaps in your day to day finances - this is a sure sign of financial trouble, and only likely to make your financial situation worse, rather than better.
10. Spend sensibly. Retailers are still desperate for your cash or credit card payments, but try to resist the temptations they’re offering if you know you can’t afford them.

Mr Berry concludes: “Above all else, if you’re facing financial difficulties, seek advice early from a qualified source. Making sure your personal finances are in the best possible condition for the next 12 months should be a New Year’s resolution to which we all commit.”