

How we supported Mel when a divorce made her debt unmanageable

Mel's story

Mel was 33 and happily married with a young child. She opened a shop as a family business with her husband and took out a personal loan in her name, so they could manage while they got it started. When Mel's husband became abusive, she filed for divorce to protect herself and her child. She stopped working at the shop and found another job, but unfortunately not long after she started, the company she joined went into administration.



Unable to find work for a few months, Mel struggled to make the business loan repayments on the shop she'd opened with her husband, and she fell into arrears. When Mel did find work again it was only part-time, so she struggled financially. She was able to continue to pay her mortgage, and just about manage her bills, but she struggled to repay the business loan and it caused her a lot of anxiety. She decided to speak to her bank about it, and they advised her to get in touch with StepChange.

We looked at Mel's financial situation and, based on her particular circumstances, determined that a debt management plan (DMP) was the best way for her to deal with her debts. Mel was happy with our recommendation and took out a DMP with us.

Mel's situation

Age: 33

Reason for debt: relationship breakdown

Debt solution: debt management plan

Term remaining: repayments complete

After six years of living on a DMP, Mel has now repaid her debts off in full; she now makes furniture part-time, as well as working as a self-employed cleaner:

"I feel so amazingly happy that it's gone. I can guarantee that I will never take a loan out again. I pay my rent every month, my credit card is paid off every month and I own my car - without finance. The only debt I'll ever take on again in future would be a mortgage to secure my daughter's future."

What is a debt management plan (DMP)?

The most common solution for clients is a debt management plan, known as a DMP. Instead of paying each of their creditors individually, the client makes one monthly payment to the charity and we disburse it fairly across their creditors.

Every penny the client pays to us goes towards repaying their debt. Once the details are agreed we set up the DMP on the client's behalf, working with them to stay on track. We also conduct reviews at least annually to ensure their DMP is still affordable and the most appropriate solution.