

# Debt Management Plan (DMP) fees: representative examples

## Set-up fee

When your DMP starts, we charge a one-off set-up fee of up to £195. This covers the work involved in setting up your plan, such as arranging repayments and contacting your creditors.

We collect this fee from your first six payments, either in six instalments of £32.50 or less, depending on how much you pay.

Each month, we take our management fee first, followed by the set-up fee. Whatever remains from your payment is then distributed to your creditors.

We won't take more than 49% of each payment in fees. This means the set-up fee may be less than £32.50 per month, depending on your payment amount.

After six payments, we stop collecting the set-up fee. So, you may end up paying less than the full £195 and that's fine.

Example:

If you pay £120 per month:

- Amount available for fees: £58.80 (49% of £120)
- Monthly fee: £42.50
- Amount remaining for set-up fee: £16.30

## Management fee

A management fee of 20% is taken from your regular monthly payment, with a minimum fee of £42.50 and a maximum fee of £90. This fee covers the cost of managing your DMP, including negotiating with your creditors, sending payments, handling all letters and emails and completing regular reviews of your situation.

Example:

If you owe £6,500 to unsecured creditors and can afford £250 per month:

- Monthly fee: £50 (20% of £250)
- Amount going to creditors each month: £200
- Estimated repayment term: 33 months

This assumes you keep up with your payments, and your creditors agree to freeze interest (which is not guaranteed). If interest isn't frozen, it will take longer to clear the debt.

- Total fees (if you stay on the plan until it ends): £1,650
- Total amount to be repaid: £8,150