

Isle of Man Debt & Debtors

Claims for debt are one of the more common civil claims that the court deals with and they can range in scale from multi-million pound debts between companies to a small loan between friends.

If you are owed money

The first thing a creditor should consider is whether the debtor can pay you the money owed and if so how.

If you speak with the debtor and find out his circumstances there may be a means by which you can agree an alternative rate of payment or some other means by which the debt can be settled.

Does the debtor have property or items of value?

If a debtor has no funds available but does have property you could ask that he sell it to cover the debt or take a charge on that property.

Does the debtor have multiple creditors?

The more creditors the debtor has, the less likely you are to recover all of the debt.

A creditor should consider his position in the round. If a debtor has genuinely fallen on hard times and/or is experiencing cash flow problems then it does not always pay to take ruthless action. Obtaining judgment and enforcing it can leave the debtor with less ability to get back on his feet and repay the remainder of the debt.

Being too aggressive can result in only obtaining a fraction of the debt where a more reasonable approach might ultimately result in greater recovery. On the other hand, failure to take action when needed can leave you at the back of a long list of creditors and never likely to be paid. What is or is not the appropriate action is always a judgment call and should be made with the best information you can reasonably obtain.

If you owe money

If you do find yourself in a position where you are unable to pay back a debt it can be a very worrying time. Should that happen the following are important points to remember:

Tackle the problem head on

If you don't think you can make a payment then often it is better to let your creditor know in advance. If you explain your financial situation to the creditor then you may be able to arrange an alternative repayment scheme. If you simply miss one or more payments without explanation then you are likely to simply aggravate your creditor.

Be honest with your creditors

If you want to try and make a deal with your creditors for some kind of alternative rate of repayment of the debt then both parties need to be able to trust each other and have accurate information. If you lie or omit information when discussing matters with your creditors it simply damages your credibility with them in the long run.

Do not try and hide your assets

People when desperate or occasionally when trying to be clever will attempt to avoid their creditors by gifting valuable items to friends or relatives or selling them under value so there is nothing to enforce any judgment their creditors might get against them. This will not work. Firstly, it is a relatively simple task to trace such assets into the hands of the people they have been gifted to. Secondly, this kind of action can be a fraudulent transfer and may well get you into more trouble.

The Isle of Man Office of Fair Trading has a debt counselling service which can be of assistance if you find yourselves in debt. They can be contacted confidentially on 01624 686510 or email debt@gov.im.

We are here for you...

Contact us today by email at enquiries@mannbenham.com or by telephone on **01624 639350** to arrange a convenient time to call you back, either by telephone or video call.



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01624 639350 or enquiries@mannbenham.com**



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