

**Helping you
with your
finances
during divorce
or separation**



Bank of Ireland  UK

Contents

Step 1: Take control	2
Step 2: Plan ahead	4
Step 3: Look at the broader picture	5
Step 4: Dealing with financial difficulties	6
Step 5: If in doubt, ask	7
Useful Contacts	8

Security in times of stress

Dealing with divorce or separation is a very difficult and stressful time. Often, it's hard to think about the impact it will have on your financial situation and the best thing to do is take one step at a time.

In this booklet, you'll find information on the practical things you need to do to put you and your family on as secure a financial footing as possible. You will also find advice on other resources that may be helpful to you.

The important thing is that you feel able to get in touch with us as soon as you can. Simply visit your branch or, if you prefer, ask your solicitor to talk to us. We'll do our best to help you get to grips with your new situation as quickly as possible.

Step 1: Take control

Working out a realistic budget is crucial.

Breaking it down

A budget will help you see how much you earn and how much you spend. It shows you where your money is going each month and how much you should have left over. It can help you decide what you can afford or where you can make a saving. Most importantly, it can show you that you're in control of your finances.

Your income

Start with the positives. Note down your after-tax salary, along with any benefit payments or regular income from investments that your household receives.

Your outgoings

Spending will fall into several categories, from mortgage and loan repayments to household bills and day-to-day spending. Make sure to include everything.

There's a handy Budget Calculator in our 'Managing your money' booklet (which you can download from our website on www.bankofirelanduk.com) to help you calculate your income and outgoings. It's the first step to taking control of your new circumstances.

We'll talk to you too about any borrowing you might need, such as a mortgage or a personal loan.

And we'll help you and your former partner to look at how you can reorganise existing accounts or debts (depending on lending criteria and subject to status).

Managing Debts – the Mortgage

For most people, the mortgage is a major issue. It's a good idea to talk to your solicitor about the best way to handle your mortgage and divide your home and contents.

If your mortgage is already with us, we will be happy to look at all your options and help you think about the following questions:

- ▶ Can you afford to stay in your home
- ▶ Can you buy out your partner's share of your present home, if you own it jointly?

If you have any questions about your mortgage, including concerns about meeting your existing repayments, please contact your local Bank of Ireland branch. Alternatively, you can call us directly on 0345 300 8000.

Other Debts – Cards and Loans

This is the time to look at any shared credit cards, loans, car loans or car finance agreements. Of course, sorting out debts will be part of any legal separation or divorce.

However, if you and your partner have joint debts, you will need to deal with them. This can be a difficult process, so it might be worth asking your solicitor for help.

Remember, too, if you have loans in joint names, you are both responsible for them. That means missed payments will affect both your credit ratings. You should consider letting credit reference agencies know when you legally separate or divorce, to protect your credit rating.

THINK CAREFULLY BEFORE SECURING OTHER DEBTS AGAINST YOUR HOME. YOUR HOME MAY BE REPOSSESSED IF YOU DO NOT KEEP UP REPAYMENTS ON YOUR MORTGAGE.

Joint Accounts

If you have a joint bank account, there are simple steps to follow:

- ▶ Pay off any outstanding household bills from the account
- ▶ Agree to close it (and how to split any money in it)
- ▶ Open a sole account in your name.
- ▶ Closing a bank account does not cancel a direct debit or recurring transaction. You will need to redirect or cancel any direct debit agreements or recurring transactions with the originator.

You must both give written instructions or both of you can visit your branch to make the changes, if you're comfortable doing that.

We can set up a sole account for you and your income can be paid into this. And we'll help you to move any direct debits in your name over to your new account.

Step 2: Plan ahead

We know savings or investments may not be your top priority now. But it is worth setting aside some money as an emergency fund. It can be very useful if the unexpected happens. Ideally, you'd have enough to cover three months' spending, but any amount will be a help.

Pension Plans

If you have not yet retired, look closely at your pension plans.

- ▶ Start with a rundown of the income you're likely to receive
- ▶ Check if your separation or divorce will affect the amount of State Pension you'll get. You can check this at www.gov.uk/state-pension
- ▶ If you've paid into any occupational or personal schemes, check the most recent benefit statements
- ▶ And, if you received the rights to any pension scheme as part of a separation or divorce settlement, ask each scheme for a benefit statement.

It's important that you talk to a financial adviser. They'll be happy to help you look at what you are likely to receive when you retire and see how this will compare to your needs.

Summary of what you might consider doing:

1. Talk to us about your changing circumstances
2. Take time to plan a new budget
3. Decide how to deal with debts such as a mortgage or loans
4. Sort out any joint accounts
5. Plan ahead – look at savings, investments and pension plans
6. Consider reviewing insurance policies and pensions
7. Contact HM Revenue & Customs about your new tax status
8. Don't be afraid to ask for help if you need it. There are a number of organisations that may be able to assist you on page 8 and 9.

Step 3: Look at the broader picture

With so much going on, it's easy to overlook your insurance policies. Use this checklist to make sure you cancel or replace whatever's necessary.

- ▶ Life insurance – if you have someone who's financially dependent on you, make sure your cover replaces any income that would be lost if you passed away, whether earnings or maintenance payments
- ▶ Income protection insurance – to replace your earnings if you cannot work due to illness
- ▶ Travel insurance or car insurance – change your policy details
- ▶ Buildings insurance - if you own your home or have a mortgage
- ▶ Contents insurance for your possessions - you might need less cover after separation or divorce.

Ask for help

Don't be afraid to ask for help. As well as getting help from us, The Citizens Advice Bureau provides impartial information and guidance on a dedicated website for those going through a separation or divorce at:

www.citizensadvice.org.uk

Step 4: Dealing with financial difficulties

At this difficult time you may also find yourself with a reduced income and struggling to make ends meet.

There are solutions and help available. There are lots of organisations that can provide confidential, impartial and free help and advice. See page 8 for details of a selection of organisations.

You should talk to your creditors as soon as possible. Whether you are in arrears or are up to date with your payments but finding that existing commitments are causing you difficulties. The sooner you talk to your creditors, the better. You can usually make contact by phone, email or web, with contact details being available on websites. It is only through making contact, that the creditor can help and mutually suitable arrangements can be reached.

If your account is with Bank of Ireland UK, we can provide help in a positive and sympathetic manner. Please refer to our "Helping you to manage your money" brochure or contact your branch as soon as you recognise you are having difficulties.

Ask for help

Don't be afraid to ask for help. As well as getting help from us, The Money Advice Service provides impartial information and guidance on a dedicated website for those going through a separation or divorce at:

www.moneyadviceservice.co.uk

Step 5: If in doubt, ask.

What happens to joint bank accounts?

If both partners agree, we can close your joint account. We will need to have this agreement in writing. We can then open a sole account in your name. You may be asked to provide proof of identity and address.

However, both of you will remain liable for any outstanding overdrawn balance, unless you and your former partner make your own arrangement to clear it.

What happens to credit cards?

With a joint credit card, you'll need to pay off any existing debts on it. If your former partner was the primary cardholder, the card needs to be cancelled. If you're a secondary cardholder, this will automatically cancel your card too. And you can then apply for your own card as normal.

My former partner and I have a mortgage together. What happens to it?

If you want to stay in your house and take over the mortgage yourself, you can apply for a new mortgage in your own name. Our mortgages are subject to lending & credit criteria.

How do I cancel or change a direct debit or recurring transaction?

We'll give you a list of direct debits and/or recurring transactions attached to your account, so you can then cancel the agreements.

Or, if you're registered with 365, you can check online at www.365online.com or call 0345 7 365 555 from Northern Ireland and 0345 7 365 333 from Great Britain. Talk to us if you have difficulty dealing with any organisation, we may be able to help.

Remember, cancelling a credit card or closing a bank account does not cancel a direct debit or recurring transaction. You will need to redirect or cancel any direct debit agreements or recurring transactions linked to these accounts.

How long will it take to split our personal finances?

There's no one answer to this. It depends on the number of accounts or products you have with your former partner, how complex these are and the time it takes to gather all the information we need to settle the accounts. But we promise we'll try to resolve everything as quickly and simply as possible.

Useful Organisations

Citizens Advice Bureau

Provides free, confidential information and advice to assist people going through a separation or divorce. To find the phone number of your local bureau, look in the phone book, visit your local library or information centre, or use the website www.citizensadvice.co.uk

The Consumer Council for NI

The Consumer Council protects and promotes the interests of passengers travelling to, from or within Northern Ireland
Tel: 028 9025 1600
www.consumerCouncil.org.uk

Advice NI

Offers free, independent, advice on issues such as: Housing, benefits, and consumer issues.
Tel: 0808 802 0020
www.adviceni.net

Directgov

Government website with more information on benefits, tax credits and support for home owners.
www.direct.gov.uk

HM Revenue and Customs

Information about tax credits and Child Benefit.
Tax credit Helpline 0345 300 3900
Child Benefit Helpline 0300 200 3100
www.hmrc.gov.uk

Money Advice Service

Provides impartial information and guidance on a dedicated website for those going through separation or divorce.
Tel: 0800 138 777
www.moneyadviceservice.org.uk

StepChange Debt Charity

For debt advice throughout the UK
Tel: 0800 138 1111
www.stepchange.org

Sorting out separation

General information for those facing separation
www.sortingoutseparation.org.uk

Relate

Support for separated partners and families
Tel: 0300 003 2340
www.relate.org.uk/relationship-help

Gingerbread

Support for single parents
Tel: 0808 802 0925
www.gingerbread.org.uk

Resolution

Family law information
Tel: 01689 820 272
www.resolution.org.uk

Bank of Ireland UK are not responsible for the content of third party websites.

We can provide this document in Braille, in large print and on audio tape or CD.

Please ask any member of staff for details.

www.bankofireland.co.uk

Bank of Ireland UK is a trading name of Bank of Ireland (UK) plc. Registered in England and Wales (No. 7022885), Bow Bells House, 1 Bread Street, London EC4M 9BE.

UK37-956N.6 (08/18)

CM0718524