



## HELP AND SUPPORT WHEN YOU'RE IN FINANCIAL TROUBLE

July 19th, 2022

Categories: [Finance](#),

This series is provided in partnership with [Financial Counselling Victoria](#) and is around debt. We follow the journey of Young Carer Julie through understanding debt and putting her knowledge into practice. If you haven't read the first post 'Understanding debt' you should start there!



*For two weeks, Julie did nothing. She felt completely frozen by the options before her – she couldn't bring herself to pay her bill and therefore commit to not paying rent, but neither did she pay her rent. And she didn't tell her parents anything about what had happened – she kept quiet and spent a lot of time in her room, hoping her parents wouldn't see a change in her until she'd worked out what she was going to do.*

*At the same time, Year 12 was becoming increasingly busy as they hurtled towards exams. She had never had more homework, more pressure, greater expectations – but just as her brain needed to kick into gear, she didn't seem able to focus like she used to. Every time she tried to put the money stress out of her mind, she found her thoughts creeping back to it. The deadline for her Media project was approaching, but she found she could only work on it for five minutes at a time before her mind would return to her debt.*

*The day before her Afterpay payment was due, Julie still hadn't worked out what she was going to do. So that night, she sat herself down at her desk and told herself that she couldn't get up until she'd worked out a plan.*

*Could she use her credit card to pay for her Afterpay? That way she wouldn't technically be late to pay anything – and then she'd be back to dealing with only one bill. Sure, her bill would be bigger, but she wouldn't find herself in another situation where she had to choose which bill to pay.*



*She felt eyes looking at her from behind – whipping around, she saw her once-friendly debt creature, now unrecognisable. It was standing on its two hind legs, towering over her, broad-chested like a kangaroo. Its eyes were narrowed as they followed her movements, and it ran its tongue gently along its pointed teeth.*

*“What do you think I should do?” Julie asked aloud.*

*The monster looked at her keenly. The only indication that it had even heard her was a brief flattening of its ears.*

*“What? Nothing to say?” Julie shot back. “You’ve been following me around for months – you’ve been waiting for this to happen. Now you won’t even tell me what I’m supposed to do about it!”*

*A brief flash of something like sadness seemed to come over the monster’s gaze, and it flicked its tail twice.*

*“I’ll do whatever you want – just tell me what that is!”*

*Just then, Julie’s phone rang – it was Georgia. “Hey Jules, just thought I’d ring to say hey. How’s the exam prep coming along?”*

*As if on cue, Julie burst into tears. Then, before she knew it, she was telling Georgia everything that had happened that year – every small decision Julie had made that had led to this moment – the debt, the lack of focus, the guilt and fear. Georgia listened – then said gently: “That website you found for me, Moneysmart, you should have a look at some of the other pages. I think it could really help you find the support you need.”*

*Julie sat quietly – she hadn’t even thought about that. In fact, she’d never considered the possibility that someone would be able to help her. After all, unlike Georgia’s broken down car, she’d gotten herself into this situation by making bad choices – so why would there be help out for her?*

*“This happens to lots of people, Jules, and there are lots of things out there that can help. You have a right to get help if you’re struggling, and there are even professionals who can help you through this process. I learnt a lot about this last month when I had my car thing. Let me send through some information.”*

As Georgia has explained, the **Moneysmart** website is a fantastic resource that offers tools, tips and guidance for Australians looking for information about money and finance. In particular, the '**Reduce your debt**' section of the website provides a lot of information that could help Julie and others who are feeling stressed about their debt situation.

As we've seen over the course of Julie's story, we can be really careful about how we spend our money and still find ourselves in a situation where we have more debt than we can manage. Sometimes, it only takes one unexpected expense, or a miscalculation when we buy something, to tip us over the edge and into a stressful debt situation. However, as Julie discovers, there is help out there – and you don't need to manage it alone.

## **WHAT IS FINANCIAL HARDSHIP?**

You are in a state of 'financial hardship' if you are having difficulty paying bills and repayments when they are due. This can be very stressful, as we've seen with Julie, but it's important to remember that you have rights when you're in this situation. For example, in certain instances you have the right to request a 'financial hardship repayment arrangement' from the lender that you owe money to – and they are obliged to respond to your request with a reasonable arrangement. These arrangements can include extra time to repay, a variation to the repayment amount, freezing late fees or interest, or even a waiver in rare cases. You can find more information about financial hardship repayment arrangements [here](#).

If you do find yourself in financial hardship, it's a good idea to get a copy of your **credit report**. A credit report lists all the loans and outstanding debts you have with a number of sources, including banks, credit card companies, and the government (it will not include informal lending

arrangements). Your credit report will give you a clear overview of your debt situation, and will alert you to any other debts you may have forgotten about. To learn more about credit reports – including where to go to request a free report – visit the Moneysmart page [here](#).

Once you are certain exactly what debts you have, you might start seeking financial hardship repayment arrangements. If your debt is with a bank, you can contact their hardship department to ask for this – their contact details will be listed on your bank statement or app.

## SEEKING SUPPORT

If you're experiencing financial hardship and debt, all of this might sound overwhelming – but don't worry, there's help out there! As long as you are over 18, you can seek the assistance of a financial counsellor, a professional who can guide you through your debt situation. They will inform you of your choices, and can help you decide which repayments you need to make first. In some cases, they may be able to contact your creditors (the people or organisations you owe money to) to inform them of your situation, and see if they can make any changes to either the total amount you owe, or the frequency and size of the repayments. Financial counsellors are always free, confidential and independent, and focus on your rights and choices – they won't ever push you to do something you don't want to do.

If you aren't yet 18, you can't see a financial counsellor – but if the debt belongs to the family or household, it might be beneficial for your parents or adult family members to see one.

As carers, the best way for you to access financial counselling assistance is via [the Carer Pathway](#), which provides quick and direct access to financial counsellors via the National Debt Helpline (NDH). The Carer Pathway recognises that people with caring responsibilities are busy, and makes it quicker and easier to connect you to the help you need. Once you have completed the online form at the link provided, you will receive a phone call from a financial counsellor, who will be able to provide you with information to help you. You can explain your situation in as much or as little detail as you like in the initial form – meaning you won't have to repeat yourself when talking to the financial counsellor. You can also list the times you are available and unavailable for contact, which means you won't be contacted when you are at school or work, or when you have caring responsibilities.

If you know someone over 18 who is not a carer who could benefit from financial counselling assistance, they can call the National Debt Helpline on 1800 007 007, or visit [ndh.org.au](http://ndh.org.au) to chat to a financial counsellor.

## **ONCE YOU'RE BACK ON TRACK**

Once you are back on track, it might be helpful to develop some strategies to help you keep on top of your money and debt in the future. Developing a budget is a fantastic way to keep track of your money. To make a budget, you first need to list all of your incoming money, outgoing money (expenses) and leftover money over the course of a month or so. Once you have a sense of how much money you earn and where it is going, you will be able to assess whether you are living within your means, and if there are any changes you can make to your current cash flow in order to have the amount of money you need. Budgeting is also a great way to plan for big



purchases, because you can work out how long it will take to save money for a car, a new computer, a holiday – whatever it is you have your eye on.

There are a few really useful budgeting tools on the internet, which make the process a lot easier – the **Moneysmart budget planner** is simple to use and converts your fortnightly, monthly and quarterly expenditures so that you can compare incoming and outgoing funds easily. Money Managed, an Australian government website providing financial information to teenagers, also has a **budget planner**, which is even simpler to use and tailored to young people.



*With Georgia's help, Julie trawled the Moneysmart website and found a range of useful tips, links and phone numbers to call. She was surprised by the amount of help available to her. She connected with a financial counsellor who was understanding and non-judgmental, and who assured*

*her that she had really done nothing wrong. With some help, Julie was able to work out which debts to pay first, and was able to call her bank and negotiate an affordable payment plan. By selling the blue suit on Facebook Marketplace for almost as much as she paid for it, Julie was also able to continue paying rent to her parents.*

*Once she was back on track, Julie set about making a budget. Over the course of a month, Julie noted all of her income and expenses, then plugged these into the Moneysmart budgeting tool. With horror, she realised that she spent more money each month than she earned. She had no idea! Looking at each of her expenses, she was shocked to discover that she spent \$50 per month on subscription services. Each on its own seemed so cheap – but together they added up! As soon as she was able to, she cancelled her credit card, then cancelled all her subscriptions except for the two she used most regularly.*



*It took months for Julie to work her way through her debt, but it took only a few weeks for her anxiety to decrease. As soon as she'd worked out a plan with the financial counsellor, she could see that she was going to be able to get back on top of her money after all. Before she knew it, she was able to focus on her exam revision and start preparing for the end of the year.*

*As for her debt monster? He didn't go away, but he changed – into a placid, soft-furred creature, the size of a small cat. His eyes would continue to follow her around the room, but they only seemed watchful, never sinister. Julie never really forgot that he was there, but she wasn't frightened of him*

*– instead, he seemed to be a friendly guard, and a gentle reminder of what could happen.*

**If you are over 18 and experiencing a financial problem, it may help to talk to a financial counsellor. Their assistance is free, confidential and independent. If you would like to talk to a financial counsellor, click [here](#) to access the Carer Pathway to financial counselling.**