



Citizens Advice Bureau

Citizens Advice Bureaux give free, confidential, impartial and independent advice to help you solve problems. To find your nearest CAB go to www.citizensadvice.co.uk or find us in the phonebook.

Other factsheets in this series include:

- Individual Voluntary Agreement (IVA)
- Enforcing a Debt
- Rent Arrears
- Bankruptcy
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- Child Support and maintenance arrears
- Mortgage Arrears
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- Dealing with people you owe money to
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- Help with debt factsheet
- How County Court Judgments affect your credit rating
- Income Tax arrears
- Jargon Buster factsheet
- Payment Protection Insurance
- Bank charges

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Small claims court:

If you owe money to someone, they might take you to court to get it back. To do this, they have to fill in a claim form with details of the money you owe and then send it to court.

If the claim against you is for less than £2,000, the court will almost certainly decide it's a small claim. The information that follows applies to small claims. If you owe more than £2,000, you should get experienced advice immediately.

dealing with | debt

in Northern Ireland



What happens if you are taken to court for a debt



Department of

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www.detini.gov.uk

What happens if you are taken to court for a debt

Courts in debt cases

When a claim is made against you, your creditor will lodge a claim in the court within your jurisdiction. This will depend on the amount of debt being claimed.

Small Claims Court - up to £2000*

County Court - over £5000*

High Court - over £15,000 but can deal with all debts*

* These limits are under review but correct at time of writing.

The courts will decide if the claim against you is liquidated or unliquidated i.e. liquidated is for a set amount of money, loans or goods not paid for. An unliquidated claim is for an estimated amount i.e. faulty goods or workmanship.

What happens when a small claim is made against you?

When a claim is made against you, your creditor will lodge an application in the court within your jurisdiction. The courts will decide if the claim against you is liquidated or unliquidated i.e. liquidated is for a set amount of money i.e. loan or goods not paid for. An unliquidated claim is for an estimated amount i.e. faulty goods or workmanship.

You will receive the creditors application through the post along with a 'Respondants Information pack' and a date for return.

What do I do next?

At this stage there are various choices available to you:

- You can settle the claim directly with the creditor
- You can admit liability for the claim
- You can dispute liability for the claim
- You can counterclaim

Settling the claim

The settlement should include the court fee. If you are unwilling to pay the fee the creditor can continue with the application to recover this.

If you accept responsibility for the claim you should lodge an "Acceptance of Liability" form with the Civil Processing Centre before the return date. You can ask for time to pay the amount due.

The creditor may either accept your proposals in which case the EJO will issue a decree with a stay of execution or they will ask a judge to determine a reasonable monthly amount to be paid.

What happens if you are taken to court for a debt

Disputing the claim

If you dispute the claim then the case will be heard in front of a judge where you will be able to bring witnesses and any evidence you have. You should detail your disputed claim which will be sent to the creditor. The applicant must attend the court if you dispute the claim and they will also be able to provide any witnesses or evidence supporting their claim. If you ignore the claim then a decree can be made against you. If the amount is unliquidated a date will be set for a hearing where this will be established.

What if I have to go to court?

All court hearings will be informal although you may be asked to take a religious oath or affirm before giving the facts of your case. The small claims process is designed so that you do not need a solicitor or barrister to represent you. If you do choose to engage one, and even if you win your case, you will be responsible for paying their costs as these cannot be added to your claim. As mentioned before you may have witnesses present at the court hearing and you should try to arrange for them to attend voluntarily.

The judge will explain how your case is to be heard. Both sides will be asked to tell their version of the facts of the case and both will be questioned directly. Remember that the judge will make a decision based on the facts. You will get an opportunity to put questions to the applicant and to his or her witnesses if there are any.

You can prepare for this by studying the applicants reply on the notice of dispute (and counterclaim, if relevant) and by preparing questions in advance. You may take notes of what the applicant and his or her witnesses say to assist you in challenging anything with which you do not agree. You will also be given the opportunity to question the applicant and their witnesses.



When all the parties and witnesses have been heard the judge will usually make a decision there and then. But before making a decision the judge may wish to inspect, or obtain an expert report on, the property or item in question.

If you are unsuccessful.

You will have to pay you the amount decided by the judge, the application fee and any other costs awarded by the judge. You will receive a copy of the decree in the post, a few days after the hearing. This will state the amount of money awarded by the judge.

If you are successful.

If the judge decides in your favour, you will not be ordered to pay anything.

