

Abuse Of Bank Charges, Is This Legalised Robbery?

I have a client who at this time of year has financial problems. There is nothing new in that, if the truth be told, the majority of us are all slightly short at this time of year. Christmas after all is the one time of the year where the majority of us are driven to heights of financial excess that very few of us can afford and the more than a few of us find difficult to get out of.

Enter stage left, the Finance Houses and Banks, offering us deals left right and centre to help us smooth our way out of debt into even more debt (if the truth and the small print be known).

My particular client had problems with his mortgage and had been trying to get some sense out of the client services dept of his Mortgage Company when he reviewed his own monthly bank statement. His Mortgage payment had defaulted this month and he had spoken to his Mortgage Company and explained that he would be forwarding this months instalment by way of cheque once the transfer of some other funds had been completed.

This was accepted and everything seemed fine until a few days later he received several letters reminding that the Finance House would be attempting to collect his mortgage payment ten days later. Could he also make sure that there were sufficient funds in his account to facilitate this (despite having been told several days previous to this of his proposed methods for clearing his arrears and having accepted these proposals) as if there were not he would incur late payment charges and also charges from his own bank as well.

So at the end of the day when this attempt at collection had failed my client was now left with double the set of his own bank charges being debited to his account but also a double set of charges being levied by his Mortgage Company. There is something rather sick and perverted in a Society and Industry that makes the majority of its profits from those who are least able to afford them. My client had very little in the way of funds at the outset of the incident and through no fault of his own he has even less available to his disposal now!

The moral of the story? Read carefully, the fine print of any agreement before you sign it (usually hidden deep in pages eleven or thirteen of most documents in the smallest font size that the printers can get away with) and if you feel that you will have problems meeting any of your payments you are obligated to meet, get in touch with your creditors as soon as possible and make sure that you have crystal clear agreements (preferably confirmed in writing) as to how you propose to deal with any rescheduling of any of your debts.

This will help you avoid the debt spiralling occurring that some find difficult to avoid and making an already difficult situation worse.

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About the Author

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