

## Bad Credit: County Court Judgements Explained

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County Courts or CCJs will have a serious impact on your credit rating, making it more difficult to obtain finance. What are CCJs, and can you do anything about them?

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Having a County Court Judgement or CCJ issued against you will have a severe impact on your credit rating, as it signifies that you have had serious problems paying back a loan or other form of credit, to the extent where your creditor has had to take court action against you to try and recover the debt.

{bot\_wrgoogle}If you get into arrears and fail to come to a repayment agreement, your creditor may decide that pursuing a CCJ is the only option. The first you'll hear about it is when you receive a 'Claim Form' through the post, sent to you by the county court. This form will set out the details of the claim, including who the creditor is and how much they say you owe them.

If you were unaware of the debt, for instance if you'd moved house and lost contact with the creditor, then repaying the full debt now will stop proceedings going any further. If however you can't clear the debt, then you should fill out an 'Admissions Form' which will also have been sent to you.

This form asks for information about your income and expenses, which the court will take into account when hearing your case. The Admissions Form should be returned within 16 days of the postmark it holds, although if you intend to dispute or defend the claim then you can apply to have the hearing delayed an extra 14 days in order to prepare your defense.

Once you've filled in these forms and returned them to the court, there will be a simple hearing carried out in private. You don't have to attend the hearing so long as you've completely filled in the necessary forms, or unless you wish to dispute aspects of the claim.

At the hearing, the court will objectively review the claim and the information you've provided, and come to a decision about the amount of money (if any) you owe, and how it should be repaid. It's important to note that no one is being found 'guilty' or 'innocent' here, the court is simply trying to fairly resolve a civil financial dispute.

If the decision upholds the claim against you, then the court order or CCJ is issued. Even at this stage you can stop the damage to your credit record, as you'll have one month from the date of the court hearing to repay the debt in full to stop the CCJ being put on record.

After a month, the CCJ will be entered on to the Register of County Court Judgements, and from there it will make its way onto your credit files held by the various credit reference agencies.

The presence of one or more CCJs on your credit file will effectively close off most kinds of finance to you, as most lenders will be very reluctant to advance credit to people in these circumstances. Once, however, you've cleared the debt, then the Judgement will be marked as 'satisfied', and while this will not remove it from your record it is a lot less harmful to your credit worthiness than an uncleared CCJ.

If you have a CCJ on your record, you might be tempted by companies promising to remove it and clean up your rating. Unfortunately, this is only feasible in a few cases. Sometimes, the CCJ is entered on to your record by mistake even though you cleared the debt within the one month time limit. If this has happened then you have the right to have it removed from your records.

The only other ways to have a CCJ removed is to show that there was something wrong with the way in which the Judgement was awarded. If, for example, you didn't receive the initial Claim Form, and you were unaware of the proceedings, then you didn't have the chance to defend yourself and so the Judgement is invalid.

In these circumstances, you can apply to the court to 'set aside' the Judgement and it will be removed from your file, with the whole process starting again with a new claim and hearing. Any attempt to gain a 'set aside' without a reasonable argument could be seen as wasting the court's time, with all the legal penalties that would entail.

If you receive a Claim Form through the post, it's important not to panic. Although a CCJ against your name is harmful to your credit rating, it isn't a criminal matter and won't lead to further action such as repossession of your home or bankruptcy. The CCJ procedure is there so that the court can help to resolve your debt in a way that is fair to both you and your creditor.

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