

BRITISH BROADCASTING CORPORATION

RADIO 4

TRANSCRIPT OF “FILE ON 4” – “DEBT KILLED MY DAD”

CURRENT AFFAIRS GROUP

TRANSMISSION:	Tuesday 25 th September 2018	2000 – 2040
REPEAT:	Sunday 30 th September 2018	1700 - 1740

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PROGRAMME NUMBER:	18VQ6280LH0
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Producer: David Lewis

Reporter: Helen Grady

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GRADY: I'm Helen Grady and for this week's File on 4 I'm going to take you inside the UK's personal bankruptcy system, starting at a cottage in Cumbria.

ACTUALITY AT COTTAGE

HURST: So this is my dad's house. This is the family home. My sister and I grew up here, and this was my mum and dad's first house when they got married. And then, when my mum and dad divorced, my dad lived here by himself.

GRADY: We're in the Lake District, in a quiet cul-de-sac in the village of Lindale, looking through the windows of a faded white terrace.

HURST: A lot still remains. That sofa dates back probably to before I was born and there's his armchair there. And at Christmas we, you know, used to bring the table into here and have nice family get-togethers. My dad knew the bailiffs were coming so he left them a letter explaining where he was in the house and he left a letter for my sister and I, explaining why he had decided to take his own life.

GRADY: No one who knew Nigel Hurst could understand why he killed himself. They remember a hard-working, sociable man who loved cricket, rugby, the village pub and his two daughters.

HURST: So the letter reads: Jess and Sally. It breaks my heart to write this. This decision is nothing to do with you two. I love you with all my heart. I have been so unhappy in my personal life for so long that I cannot go on. Now that I am about to lose my house as well as my self-respect, I have decided to go.

MUSIC

GRADY: For this week's File on 4, we're investigating the death of Nigel Hurst. His daughter Jessica, who you've just heard, contacted us and asked us to find out how her dad's ordinary household debts turned into demands for huge sums of money. It's a story that takes us inside the UK's bankruptcy process. At a time when the private sector is being more responsible in the way it chases debts on credit cards, mortgages and loans, it's now councils who, we've been told, are the toughest creditors. Nigel Hurst died, aged 56, on October 4th last year - the same day bailiffs were due to repossess his home. In the weeks that followed, his daughter Jessica began to piece together his final days.

ACTUALITY – OPENING GARDEN GATE

HURST: The bailiffs let us into my dad's house. And all I knew at that point was what I'd been told by the police and that was that the bailiff had found my dad. All the paperwork was on the table tops and the kitchen surfaces and in bags and in a bit of disarray really.

GRADY: What kind of paperwork did you find?

HURST: So I found a booklet detailing that my dad had been made bankrupt, and eviction notices and other paperwork relating to his bankruptcy. That's where I found out that my dad was bankrupt.

GRADY: It must have been a huge shock.

HURST: It was a huge shock and I set off sort of trying to piece things together really, because I had a lot of unanswered questions.

GRADY: There was a bigger shock to come. As Jessica ploughed through his paperwork, she learned that the debt that triggered her father's bankruptcy was for unpaid council tax. Then she discovered that the bankruptcy process had caused that debt to snowball.
How much did he owe?

HURST: That was £9,332. He also owed money to American Express, HSBC and United Utilities.

GRADY: So what did that take the total debt to?

HURST: £11,738.

GRADY: Is that the total sum that your dad needed to pay to clear his bankruptcy?

HURST: No the total wanted was just under £73,000.

GRADY: £73,000?

HURST: Yes, yes.

GRADY: How did that happen?

HURST: That's a good question. Yeah, it would be good to have answers.

GRADY: Nigel's debt problems started when he missed a council tax payment. When he failed to settle up, the council billed him upfront for the year - around £1,000. This is exactly the kind of debt that more of us are falling into. Last year, for the first time in thirty years, UK households spent more than they earned. The average shortfall was £900. And, according to the National Audit Office, debts to Government and utility companies are now more common than consumer debts. Citizens Advice research suggests that more than £3 billion is owed in unpaid council tax.

ACTUALITY AT DEBTLINE CALL CENTRE

MAN: Morning. You're through to Wayne at National Debtline, how can I help?

GRADY: It's a trend that's keeping the staff at the National Debtline very busy.

HUSSEY: We've got a row of vacant desks. These are all set up for some of our new starters.

GRADY: And how many new people are you taking on?

HUSSEY: The latest intake is around about twenty people and there will be more waves of recruitment to follow.

GRADY: This Birmingham call centre is a buzzing barometer of Britain's household debt. Dennis Hussey has been giving advice here for 13 years.

HUSSEY: Whereas once upon a time we saw a lot more people with consumer credit debts being their major issue, nowadays what's a lot more common is people presenting problems meeting everyday bills.

GRADY: And how common is it for people ringing you here to be in council tax arrears?

HUSSEY: It's increasingly prevalent - over the past year we've seen roughly 30% of callers to the service referring to council tax arrears, whereas the year prior to that the figure was more in the region of 15%, so it is clearly an upward trend.

GRADY: Nigel Hurst's family had no idea he wasn't paying his council tax. To outsiders he seemed comfortably off. But now Jessica's gone through his bank statements, it's clear that her dad's job as a sales consultant didn't always provide enough to pay his bills.

HURST: My dad wasn't on a particularly good wage. His income was variable. Around about 2002, 2003 my dad was sort of rushed to hospital. He had a tumour in his left kidney so, you know, he had to have that removed, and obviously that doesn't put you in a very good state and very hard to work. And then my mum and dad divorced round about 2004 and my dad was ordered to pay £36,000 to my mum, and he was paying £200 maintenance to my sister and I each per month.

GRADY: All of which meant Mr Hurst struggled to pay his council tax bill of around £1,000 a year. His local authority - South Lakeland District Council - sent him reminders, but he ignored them. Michael Fisher runs the department that collects council tax for South Lakeland. He explained their process.

FISHER: We sent a bill to Nigel Hurst's property in accordance with what we do with everybody else's council tax bills. All the reminders would have gone to his property. As far as we're aware, he was living in the property.

GRADY: He wasn't responding to your letters. Did it not occur to you to try a different approach? To phone perhaps?

FISHER: If we had the information. I don't believe we had the information to be able to phone Mr Hurst. We wrote to Mr Hurst and told him that if he didn't make contact then we would look to take enforcement action against him to recover the outstanding amounts, and at that point people would have actually visited the property to try and gain further information from Mr Hurst.

GRADY: So the first representatives who actually visited Mr Hurst's home in person were bailiffs?

FISHER: They would have been enforcement officers, yes.

GRADY: Mr Hurst ignored the bailiffs too. At this stage, the council could have got a charging order. This would have loaded the debt onto Mr Hurst's house. The money would then be repaid as and when the house was sold. But the council decided against that. They also had the option of applying for money to be deducted from Mr Hurst's wages - what's known as an Attachment of Earnings.

FISHER: We requested the information from Mr Hurst, we sent him a letter requesting information as to his ability to be able to pay and for his employment details. He didn't return that information to us.

GRADY: But there is a legal process that would have enabled you to compel Mr Hurst to provide that information.

FISHER: We could have issued a notice to Mr Hurst which would have ... and issued a penalty on him at an additional cost to his council tax, but it still wouldn't have compelled him to tell us the information.

GRADY: We've been told, though, that the council could have got a court order enabling them to contact Mr Hurst's employer via HMRC. Instead, after seven years, the council petitioned for Mr Hurst's bankruptcy. The way local councils pursue debts more generally has become a cause for national concern. In July, the Treasury Select Committee warned that some councils were going too far and pursuing debts 'over-zealously and uncompromisingly'. Their report drew on the experience of the charity, Christians against Poverty, who help people in debt to negotiate with their creditors. I asked their Policy Officer, Rachel Gregory, how flexible councils are when it comes to repayment plans.

GREGORY: Some councils work with us really, really well, but others can show fairly little understanding. To give you one example, we had a client where we offered £20 a month to repay council tax debts and it was rejected on the basis she had a

GREGORY cont: mobile phone contract, but actually she had very little else in the budget including only £1 a month for house or maintenance, clothing and leisure. And instead, the council, even though she was offering to pay what she could afford, started court proceedings to serve her the enforcement.

GRADY: So to bring in bailiffs?

GREGORY: Yes, to go and get a liability order and then they've got a range of options open to them after that, including enforcement agents. In another example, we had a client who only had £5 a week to spend on food, because the council was really set that they needed a certain amount for the council tax repayment, which meant that was all that was left.

GRADY: But council budgets are under pressure. In England and Wales, over the past ten years, their funding's been reduced by £16 billion. Every penny counts and many councils need to recover debts quickly - some are even facing bankruptcy themselves. But not South Lakeland.

FISHER: Every council is under financial restraint and looking to save money at every opportunity. We actually collect over 98% of the council tax which is due to due to the council, so whilst collection rates are being maintained at that level, the pressure on collection of council tax isn't as great as it could be in some areas where collection rates are slightly lower.

GRADY: So you could afford then to be patient when people can't pay their council tax, to give them some time?

FISHER: We, we are in a position where we do give people more time to pay, where people are experiencing genuine difficulties.

GRADY: There's been an increase in the number of councils who, like South Lakeland, are willing to take what you might call the nuclear option of debt collection - petitioning for bankruptcy. Paul Rouse is a partner at Mazars - a firm that helps councils recover debts - and so takes a keen interest in their behaviour.

ROUSE: The debt level for bankruptcy used to be £750, so if you owed me £750, I could go to the court and petition for a bankruptcy, and I think everyone would agree that was ludicrously low for the modern day. That all changed in October 2015 and they increased the limit to £5,000. If you look around the country, there's not too many places where council tax is going to be over £5,000 each year, but if you factor in two or three years of non-payment of council tax, you are probably going to be over that 5K limit.

GRADY: So there may be people who weren't paying their council tax two or three years ago, but the council wasn't able to petition for their bankruptcy until it had reached that £5,000 threshold?

ROUSE: Exactly that.

GRADY: The Local Government Association, which represents councils in England and Wales, says they've worked with Citizens Advice on a protocol for recovering debts. In a statement, they said:

READER IN STUDIO: Councils have a duty to their residents to collect taxes so important services are not affected. But we realise that times are tough and councils do their best to protect those affected the most, whether through introducing hardship funds or taking a sympathetic and constructive approach to the way we collect unpaid tax.

MUSIC

GRADY: Nigel Hurst was made bankrupt at Barrow in Furness County Court on March 10th, 2014. At that point, his debt was £11,738. He was then charged 8% interest per annum on his debt - a statutory rate intended to provide some compensation to his creditors. That took his total debt to £15,500. The global accountancy firm, BDO, were then appointed as Mr Hurst's trustees in bankruptcy. It was their job to make sure Nigel's creditors were repaid. So they came up with a plan.

HURST: As part of the bankruptcy, he was ordered to pay £880 a month. I have a receipt for the total amount that the trustees have received from my dad and that comes to just under £15,000.

GRADY: So almost what he owed initially? About £500 short, in fact?

HURST: Yes absolutely. I believe, knowing my dad, that was instrumental in him stopping the payments. I believe that he had thought, you know, I'm not a well man, this money, it comes to near enough the amount of the original debt so I'm going to stop paying now.

GRADY: So was the £15,000 your dad paid used to clear the original debt?

HURST: No, I've seen the paperwork and that £15,000 was just swallowed up in fees and costs, and unfortunately the fees kept coming.

GRADY: Last year, 222 people were made bankrupt by their local council. So far this year, the tally is 118. One of them is a man called Gary. He's in his early fifties.

ACTUALITY AT BINGO

CALLER: If you're all ready then, your first number. For any one line across ...

GRADY: I met him in a pub in a Yorkshire mining village just as the weekly bingo night was getting underway. He looked tired and underweight and had a nervy, twitchy energy. Gary asked us not to use his surname, because he's ashamed of being bankrupt.

GARY: It stemmed from me being ill six or seven years ago, when I had a heart attack, so I had a lengthy time off work. I'm a scaffolder's labourer.

GRADY: And because you do a physical job, if you're not fit, then you can't get paid.

GARY: That's right, yeah. I've always been a grafter, so to speak. So then I got back to work, straightened my mortgage up and then, as I was in a position to start paying things like the council tax and things like that, whether bad luck or whether misfortune, I've another illness, I had a hernia, so I had a lengthy time off work there. It become a toss-up - either pay the council tax or eat.

GRADY: And did the council chase you for the money straight away?

GARY: I can't blame my partner because she was only thinking about me, but she'd hide mail from me because she didn't want me getting stressed and things like that.

GRADY: Because of your heart?

GARY: Because of my heart. I can't, I need to get out ...

GRADY: Are you all right?

GARY: Yeah, I need a minute.

GRADY: That's all right. Take your time.

ACTUALITY – SOUND OF SPRAY

GRADY: Is that spray a medication for your heart?

GARY: Yeah.

GRADY: So when did you realise that you owed the council £6,500? When did that happen?

GARY: When I got a court appearance date to appear for the 10th July. I mean, I couldn't afford a solicitor so I wasn't allowed any representation, you know. Just me and somebody from the council and their solicitor. Bearing in mind I'd filled, took it upon myself to fill a means form in, a plan of a remedy to sort it out, chipping away at it, but it's paying it back. After I'd told him everything involved and what had happened to me and my bad luck I'd had and stuff, after I'd done he says, 'I'm going to grant this order, this bankruptcy order.'

GRADY: Gary now finds himself in a race against time. His original debt for unpaid council tax was £6,500. He now owes three times that, and the longer it takes him to pay it off, the more his bill will escalate, just as Nigel Hurst's did.

GARY: Straightaway, before I'd even seen the official receiver, his fees are £6,000, his fees alone are £6,000. His admin fees was £2,750. I've got all that on paperwork where it's itemised and everything, and the only other debt was a payday loan I had off a company, I owed them £300. That is on top of it, but this £6,500 was now £17,200.

GRADY: Overnight?

GARY: Yeah, before I even saw this receiver, because he'd been appointed, that were it, I had to pay £17,200, plus the annulment solicitors fees, which will be around £2,000.

GRADY: So you're talking about £20,000 now?

GARY: About £20,000. It can't be right. [CRIES]

GRADY: So you don't have £20,000, so how is the receiver planning to get that money?

GARY: Well, they're going to take my house off me and sell my house. They know, apparently they know how much equity is in my house. I owe £26,000 on my house.

GRADY: Do you know how much it's worth?

GARY: Well, according to Zoopla, it's worth about 50 grand.

GRADY: If the house is worth £50,000, you've got to take away the £26,000 you owe in mortgage payments, then you've got to take away the £20,000 in liabilities to the official receiver, which leaves how much? £4,000?

GARY: Bearing in mind I've also been told that once they appoint an insolvency practitioner, which is the next step, those creditors who I owe, I'll be charged interest on it, so this £6,500 will be going up and their fees will be going up. That would wipe me out altogether.

GRADY: What's the next deadline? Have they told you how long you've got until they get the insolvency practitioner involved?

GARY: I rang him Monday. I've got five days.

GRADY: To pay off £20,000?

GARY: Yes.

GRADY: The biggest fee Gary's faced so far is what used to be called the Secretary of State fee. It's intended to cover the costs of the official receiver, but last year, it actually produced a surplus of £14 million, which went to the Government. Because Nigel Hurst's bankruptcy dragged on so long, it generated a whole host of other fees and charges. Many had pretty baffling descriptions, so I asked debt expert Andy Shaw to talk me through the last statement Nigel received from his trustees, BDO.

ACTUALITY WITH PAPERWORK

SHAW: The trustees in bankruptcy have added on their costs for their time and the things that they have paid for, for administering the bankruptcy, and they have come to this figure of about £47,000, £48,000 for that.

GRADY: So, first item on the list is the joint trustees' outstanding time costs, which is £23,000? That seems like a huge amount of money?

SHAW: Yeah, it does, and of course what's not clear on this is the amount of work that has been done.

GRADY: What are the other fees and charges we've got?

SHAW: We've got some legal costs, which the insolvency practitioners have said involve contacting various parties, including Mr Hurst himself, the Land Registry and bailiffs and so forth.

GRADY: They're charging nearly £11,000.

SHAW: And then, of course, there's almost £10,000 in Secretary of State fees, which is essentially money that goes to the Government.

GRADY: We've then got agents' fees of £5,500. What would that account for?

SHAW: The insolvency practitioners have said that those are for changing the locks, cutting off the electricity, the water, that kind of thing, a drive-by valuation of the property.

GRADY: So they would just sort of stick their head out of the window of the car and come up with a figure based on that?

SHAW: More or less, yeah.

GRADY: The trustees, BDO, say they keep 'detailed time records' for every case they handle and that many of the charges on Nigel's bill are 'legal and regulatory matters' that 'do not necessarily bring us any financial benefit'. They also say that they provided South Lakeland District Council with regular updates on the fees and charges. The bankruptcy system makes it much easier for creditors to challenge trustees' bills than it is

GRADY cont: for debtors. Michael Fisher is in charge of the department that collects council tax for South Lakeland. I asked him if they ever questioned the fees and charges being added to Mr Hurst's bill.

FISHER: No, we didn't in this case, no. There would be numbers of cases going through this process. We have limited resources to be able to check, check these cases going forward. As I say, over a period of time, bankruptcies can run for any number of years and we receive reports all the time regarding bankruptcies, and as I say, we don't routinely checks the fees which are being charged in every case.

GRADY: But some of the fees, they're not particularly transparent. I mean, one item, for example, was I think £5,500 for cutting off the electricity, changing the locks and doing a drive by valuation. I mean, that seems like a lot of money.

FISHER: On the face of it, yes it does seem like a lot of money, yes.

GRADY: Okay. Why didn't you scrutinise them?

FISHER: If Mr Hurst had have contacted us, we could have looked into that on his behalf. As I say, we've had no representations from Mr Hurst. It's very difficult for us to deal with anybody who is not engaged with us. There are some people who would have a deliberate strategy not to engage with the council so they don't have to pay the monies which are due to them.

GRADY: And is that what you suspected in Mr Hurst's case at the time?

FISHER: We didn't know.

GRADY: Nigel Hurst hadn't paid his council tax for seven years. I asked Jessica why she thought that was.

HURST: I think my dad would have just completely shoved the letters to one side and got on with his life and sort of just ignored them, probably gone to the pub and carried on life as normal.

GRADY: So do you think he would've found it difficult to ask for help?

HURST: Yes, I think so. I think my dad would've seen it as more of a failing, I suppose being a man than anything else, yeah. My dad was, I suppose, very traditional, and feelings and emotions weren't something that were normal for him to express.

GRADY: Companies who collect debts for banks and credit card companies are increasingly adapting to the fact that many people bury their head in the sand when confronted by traditional debt collection tactics.

ACTUALITY AT CALL CENTRE

NOTT: Our letters are very different, so here's an example of the kind of letter we send to a customer.

GRADY: Okay, so you start, the first thing I read is, '100% of customers say we treated them fairly. We can help you pay back your debt, but only if you get in touch.' So there's no red ink on that, I suppose.

NOTT: Correct, there's no red ink, there's no demand for payment. We want them to talk to us, because if they can't afford to pay, they can't afford to pay.

GRADY: Eddie Nott is the UK Managing Director for Europe's largest debt collection company, Intrum. They've recognised that half of people with problem debt have mental health problems and they screen callers for signs of illness and vulnerability. Lietta Penucci broke off from taking calls to show me how their system works.

PENUCCI: All of the calls here that have been recorded, it will search the content of the call.

GRADY: So the computer will scan through the waveforms of my speech? What's it looking out for?

PENUCCI: It may be trigger words, it may be that the customer has mentioned mental health or illness or they're unwell, hospital, so any sort of triggers that we believe would identify vulnerability.

GRADY: So that would set an alarm bell ringing in the system?

PENUCCI: Yeah, yeah.

GRADY: So, Eddie, how would that affect the way that this caller's debt is dealt with?

NOTT: So, we have a specialist department and basically we then spend a lot more time in depth with the customer, understanding their circumstances – is it temporary, is it permanent, how does it impact their ability to pay their debts and understand whether they can pay their debts.

GRADY: Vulnerable callers are usually given a few weeks' breathing space and referred to debt advice charities. Intrum then broker a repayment deal between the debtor and the council. Working this way can take longer to recover money, but Intrum claims they get more back than bailiffs. For local authorities, there are other financial advantages to this approach; that's why one London borough has started working with Intrum to collect its council tax debts. Max Schmid is the councillor in charge of finance.

SCHMID: Hammersmith and Fulham was causing people to fall into bankruptcy and there were even people being threatened with and put into prison for not paying council tax. I'd then sometimes see them popping up having fallen homeless and then it was the council's job to house them.

GRADY: So the council might be recovering money with one hand, but then having to pay out with the other hand?

SCHMID: Huge amounts with the other hand.

GRADY: Isn't there a risk with this new approach though, that people think they can get away with not paying their council tax?

SCHMID: The council tax is still a really important part of people's monthly expenses that they need to pay. It funds all sorts of vital services and we make it clear that council tax needs to be paid. Obviously where we see that families are able to pay and just aren't paying, we will pursue those families. But where there are families that are unable to pay, where previously we might have, by using bailiffs, thrown them into crisis and caused all sorts of expense to the council, we will work with them to come up with a sustainable way for them to pay us back.

GRADY: Intrum's softly softly approach is a response to tight regulation of the consumer credit sector, which makes up the bulk of their business.

NOTT: Consumer credit is regulated by the FCA so ...

GRADY: That's the Financial Conduct Authority?

NOTT: Yes, correct. So very heavily focused on customer outcomes, treating the customer fairly, identifying vulnerability etc, making sure ...

GRADY: So you have to go quite gently when you're dealing with consumer debts?

NOTT: Yeah. And quite rightly, and making sure that the customer can afford to pay what he can afford to pay.

GRADY: And how is council tax different?

NOTT: You can do what you like, effectively.

GRADY: Really?

NOTT: And it's madness that there's a two tier collection system depending on what debt you've got. It's wrong to me.

GRADY: Speaking to Eddie Nott, it struck me that had Gary owed money on a credit card, things might have been very different for him. Remember Gary? The Yorkshire scaffolder? Since 2014, FCA regulations mean that a credit card company would have had to accept token payments and give Gary time to recover from the financial shock of his illness. They'd also have been expected to direct him to free specialist debt advice and to try to contact him by phone and email as well as by post. Last time I spoke to Gary, he had five days to find £20,000.

ACTUALITY OF PHONE CALL

GARY: Hello?

GRADY: Hello, is that Gary?

GARY: It is.

GRADY: Hello, Gary, it's Helen from File on 4.

GARY: Eh up, I thought I recognised the voice.

GRADY: I decided to call him to find out the latest.

GARY: There's been some, some developments. I'm being fortunate actually. My brother in law, my partner's brother, Michael is helping us out. He's going to loan us some finances to stop it all.

GRADY: How do you feel about that?

GARY: I feel terrible. I don't know if I can look the bloke in the face. I think he's thinking about his sister. He doesn't want her to be put under stress. I mean, she's not a well person, you know, so he's helping us out.

GRADY: Back in the Lake District, Jessica is worried that the bill for her dad's bankruptcy keeps growing - even after his death. The fees and charges from Mr Hurst's bankruptcy must be paid out of his estate. And the estate's only asset is his house.

HURST: So they have repossessed the home, my dad's home that was left to my sister and I, and they will sell it.

GRADY: And how much equity is there in the house?

HURST: The equity stands at £80,000.

GRADY: And how much are you likely to get if the trustees sell the property?

HURST: Well, when my dad died, the trustees said that the amount they needed to pay for the debt and charges in full was just under £73,000 - and the charges are still rising.

GRADY: That could pretty much wipe out all of that £80,000 equity.

HURST: Yes, yes.

GRADY: I asked Andy Shaw from the debt charity Step Change what he made of the fees and charges Mr Hurst was billed for.

SHAW: Whether or not these fees are justified, whether or not they are transparent, you know, it's very, very difficult for us looking at the outside to say.

FISHER: Yeah.

GRADY: So you're not really sure whether you're going to recover the money or not?

FISHER: We hope we will recover the monies which are outstanding to us. Mr Hurst hasn't cooperated and the reason the fees are as high as they are is because of the amount of time and effort which has been spent on trying to recover the monies which are outstanding from Mr Hurst. Really I think Mr Hurst's case teaches us all a lesson really. If anyone's experiencing any financial difficulties, is to speak to your creditors at the first opportunity. The earlier you speak to your creditors, the easier it is to resolve. I don't think burying your head in the sand is ever a solution.

GRADY: We asked BDO, the trustees in Mr Hurst's case, to take part in this programme. They declined but issued the following statement:

READER IN STUDIO: The case of Nigel Hurst is a tragic one and has been deeply upsetting for all those involved. Since his sad death, we have tried, as Trustees acting as officers of the Court, to do all we can - including seeking to reduce the third-party expenses of the bankruptcy - in a sincere effort to help his relatives. Our sympathies and thoughts remain with his family and friends and we will continue to do all we can to help.

GRADY: BDO have now offered to waive their fee in Nigel's Hurst's case. For Gary in Yorkshire, the deadline for paying off his debts and fees is looming. He was facing repossession, but last time we spoke, he was confident a relative would bail him out. So when I called for a final update, I was expecting good news.

ACTUALITY OF PHONE CALL

GARY: Hello.

GRADY: Hi, how are you?

GARY: Err, okay.

GRADY: But there had been another development and Gary has decided he no longer needs his brother-in-law's help.

GARY: I got a valuation for the house and apparently there's not enough equity in the house to do what they're trying to do.

GRADY: And that's because the price has gone down, has it?

GARY: In this area, the housing market has just fell through the floor. There's no equity. They can't sell summat what doesn't belong to me.

GRADY: Because it mainly belongs to the mortgage company?

GARY: Exactly that. They can't sell summat what's not mine.

GRADY: So you're going to stay put?

GARY: Yeah, we're going to stay put, because it's going to be at least 12 months before they even dream of trying to get us out of the house or repossessing it, and then they'll have to rehouse us, which costs them more money in the long run. I am gambling, but they can't get nothing if I haven't got nothing. They can't get blood out of a stone.

GRADY: Gary is now playing a game of chicken with the official receiver. By not paying off his debts and fees, he risks incurring more costs. Without any real assets, it's a gamble he's willing to take. But his bankruptcy bill could keep growing, just as Nigel Hurst's did.

MUSIC

GRADY: Jessica Hurst asked us to investigate how her father's debt went from just under £12,000 to £73,000. The simple answer is that he was made bankrupt. For most people, that process makes debts grow until they feel inescapable - adding 8% annual interest as well trustees' fees and charges, some of which go to the

GRADY cont: Government. And councils are allowed to pursue debt far more aggressively than banks and credit card companies.

HURST: Really, the reason my dad took his own life was because he felt there was no way out. The fees that have been slapped on, and there's no word to describe it really, they are just so huge that I don't know if someone even in a really good mental state would be able to cope with this. You know, it just takes any sort of remaining self respect and dignity that that person wants to keep through this process. You know, there needs to be a softer approach and a much more sensitive approach.

MUSIC

GRADY: There are more humane ways to collect what are relatively small sums of money. But some councils don't use them. And some people simply refuse to engage with their creditors. Nigel Hurst was one of them. By not facing up to his debts, he set off a chain of events that led to the loss of his family home. Almost a year on from his death, his daughter Jessica is preparing to say goodbye to the house where he lived and died.

HURST: I think my sister and I have come to the realisation that currently, as it stands, there is no other possibility of keeping it.

GRADY: How do you feel about that?

HURST: Extremely sad, yes. It's a lot of memories for both my sister and I.