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Press Release

CCCS response to Public Accounts Committee report into help for over-indebted consumers

Responding to the Public Accounts Committee report, *The Department for Business, Innovation and Skills: Helping over-indebted consumers*, published on 8 April, Malcolm Hurlston, chairman of leading debt charity Consumer Credit Counselling Service (CCCS) comments:

“CCCS welcomes this frank report. It highlights the need for the Insolvency Service to carry out a comprehensive review of debt and its solutions to ensure they are effectively dealing with the UK’s consumer debt problem.

“The free debt advice sector, CCCS working closely with Citizens Advice and National Debtline, is successfully providing debt advice to thousands of people in the UK who are struggling with unmanageable debt. The new CCCS arrangement for debtors who suffer an unexpected 'income shock' is an example of the innovative way that it is responding to the new needs of those struggling with debt.

“CCCS has geared up to be ready to meet any increased need, we now have capacity on our free helpline and expect to deal with a record 400,000 calls in 2010. Our internet based debt counselling *Debt Remedy*, which helped a quarter of a million people with debt problems last year, has virtually unlimited capacity for people who are happy to receive help online.

“The Committee errs in suggesting there is a need to expand the role of the fee paying

sector in providing advice and support. Paying for debt advice is costly and unnecessary when free advice is available.”

- ends -

Notes to editors:

1. CCCS has introduced a new payment arrangement for consumers with at least two unsecured debts, who are unable to meet their debt repayments, allowing them to make token payments of as little as £1 per debt a month – provided they take responsibility for their debts, engage with their creditors, and pay what they can. This will show the customer's creditors that, although they currently cannot meet their debt repayments, they are keen to repay when they can. The customer can benefit from this scheme for an initial six month period, after which they will hopefully be back on their feet financially and able to resume their debt repayments, or an alternative form of debt remedy may have to be considered.
2. The CCCS helpline is open 8am to 8pm, Monday to Friday, on 0800 138 1111 and *Debt Remedy* is available anytime online from www.cccs.co.uk. There is no charge for any of its services.
3. CCCS received over 335,323 calls to its helplines in 2009, a 26 per cent increase on 2008.
4. CCCS is self-funding. Unsecured lenders share with the charity the benefit they receive from its operation, making a donation from the money repaid to them through debt management plans. This allows CCCS to retain its independence and ensure that its advice is always in the best interest of the client. CCCS aims to separate the “can’t pays” from the “won’t pays”.

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