

CCCS
statistical
yearbook
2007



Malcolm Hurlston

Chairman's Introduction

Retribution is in the air: as Warren Buffet put it, "the banks who brewed this toxic KoolAid found themselves drinking a lot of it in the end." Northern Rock has been nationalised and dubious mortgage lending has almost dried up. It has produced a partly irrational credit squeeze which has brought mixed fortunes to long-suffering consumers.

Although media coverage of debt and over-indebtedness has shown no signs of abating, the agenda has changed. Chaotic developments in the United States and the threatened collapse of a British bank have upped the ante on concerns about the UK's reliance on consumer credit. The new worry is that, without consumer spending to drag it along, the health of the economy itself is at risk.

Nonetheless canny consumers beat the lending lemmings to the punch: the growth rate for unsecured credit had already ground to a halt long before the American subprime crisis started to unfold, in fact there has been virtually no growth since 2005. More recently the rate of insolvencies has slowed; in the last quarter of 2007, they were down to their lowest level since Q1 2006.

These trends are confirmed by the statistics contained in this yearbook. Debt is established as chronic rather than an acute problem. There were 250,000 calls to our helplines last year, 40,000 fewer than in 2006. The average amount owed is dropping for clients in all categories whether examined by age, sex or social status.

I have contended in introductions to past yearbooks that the market for unsecured credit has never been out of control and that being able to borrow money benefits vastly more people than it harms. It has been our continuing aim to increase the capacity of CCCS sufficiently to enable us to offer help to the seven or so percent of borrowers who get into difficulty. In this we have succeeded: our service levels are up across the board.

Trends in our yearbook suggest that people who get into difficulty are getting older and poorer. In 2007, more than half were over 40 compared with 44 percent in 2005. Three quarters live in households with take home pay of less than £20k, and almost one third earn less than £10k. It may be that the heavy marketing of IVA companies has distorted things in the short-term by attracting the better-off customers away from charitable sources of help.

An essential component of the CCCS proposition is that those clients who are trying to repay their debts deserve help, from their creditors as well as from us. This yearbook includes a new section tracking changing pressures on clients' incomes and hence their capacity to repay their debts. It is clear from this analysis that the main pressure on clients' income, whatever their earnings capacity, is from the increases in the cost of utilities – and this before the double percentage increases in gas and electricity costs announced in the opening months of 2008.

It may be therefore that the difference between debt being manageable and unmanageable may no longer be interest rates or the credit card bill, but rather the cost of gas or electricity. We are not the only consumer organisation to sound the alarm bells on this issue and it is to be hoped that the utility companies will work with debt advisers to limit the harm of these increases, to whatever extent there may be commercial justification.

Our aim is to provide a detailed analysis of the circumstances of the overindebted to understand better who gets into debt and why. After a decade of unprecedented growth, consumer credit is becoming less available and more expensive and it seems likely that more of the £1 in people's pocket will have to be spent on everyday living costs such as housing, food and energy.

As the circumstances which tip people into debt become more complex, we need to take account of many influencing factors in order to comprehend better the why as well as the who, what, when and how of problem debt.

Malcolm Hurst

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Main Findings 2007

CLIENTS:

- Debt levels are declining across the board, irrespective of age, sex or income.
- CCCS clients are getting older and poorer: in 2007 for the first time, more than half (52 percent) were over 40 compared with 44 percent in 2005. Three quarters live in households with take home pay of less than £20k, and almost one third earn less than £10k.
- Debt levels are dropping fastest for the under-25s; the average debt is now under £10,000 (£9,656), a third less than two years ago (£15,079 in 2005).
- For the first time, clients over 60 have the highest levels of debt, averaging £29,642.

CLIENT EXPENDITURE:

- Expenditure on utilities has increased year-on-year for all clients over the last four years. This disproportionately hits those under the poverty line, where utilities account for 23 percent of all expenditure.¹
- In 2007, the least well-off clients paid 23 percent more for utilities than four years ago, and 14 percent more on food and clothing.
- CCCS clients who are classified as higher earners spend 44 percent of their income on housing costs, the highest proportion of any of the income groups.

SERVICE:

- The world's first online debt counselling facility, CCCS Debt Remedy, was used by 75,000 people in 2007.
- Counsellors advised 63,836 people through an in-depth counselling session.
- Clients repaid over £194m to their lenders in 2007, 38 percent more than in 2006.
- CCCS handled more than one million calls in 2007, including around a quarter of a million from both existing and new clients.

¹ Poor clients are those defined as under the poverty line by the Department for Work and Pensions in 2006.

Foundation for Credit Counselling

The Foundation for Credit Counselling is the charity responsible for the introduction and development of credit counselling in the UK through the Consumer Credit Counselling Service (CCCS). Now in its fifteenth year, CCCS has helped over a million people with debt problems since it was established in 1993. Our primary aim is to work in the best interests of the consumer, taking account of responsibilities and commitments to creditors.

Our data warehouse records in detail information about all those who seek our help. Its primary purpose is to allow us to operate more efficiently and help more people. As we have grown so has the warehouse to the point where it now contains records of more than five million phone calls and 420,000 clients with debts totalling £6 billion. Every day over 50 million rows of data are updated in the warehouse, chronicling the circumstances of the over-indebted.

Since 2005 we have published a selection of this information, collected and analysed in the context of the UK consumer credit market, in a statistical year book with the aim of contributing to understanding the problems of over-indebtedness. As in previous years, the emphasis is on presenting the information neutrally without acceding to particular agendas. Nevertheless our purpose in making this information available is to represent the interests of both borrowers and lenders in order to support the continued development of an efficient and cost effective consumer credit industry.

In 2007, CCCS helplines answered one quarter of a million first-time calls and provided in-depth counselling sessions to nearly 64,000 people. This was the year when our online facility, CCCS Debt Remedy introduced at the end of 2006, became significant, helping over 75,000 people. The statistics included in the yearbook reveal distinct socio-economic differences between users of online and telephone help, with the former being more likely to be homeowners and higher earners. Online counselling provides us with great opportunities for increasing our capacity to reach more people for a fraction of the price through services developed and refined through our core activity of helpline and face-to-face counselling.

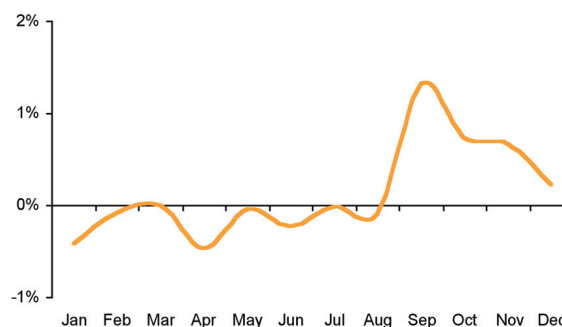
I. Introduction to credit

1.1 CREDIT IN THE UK

In January last year few people could have foreseen the momentous events that were to come in the credit markets in the late summer. However, as the effects of the 'credit crunch' fed through to the general public, the consequent impact on the world economy and on consumer borrowing behaviour became clear.

The increase in outstanding credit card balances in September marked an end to the steady decline of the previous two years. This may reflect an increased number of consumers unable to obtain secured credit and therefore they may have to resort to unsecured lending instead.

Chart 1.1.1 - Monthly growth in outstanding credit card balances (2007)



Source: Bank of England

1.2 CREDIT CARDS, LOANS AND SUBPRIME LENDING

The credit card market showed signs of change over the course of the year, both in response to the credit crunch and to the capping of penalty charges by the OFT. As a result, the average credit card APR rose from 17.0 percent to 17.7 percent.² Although this may seem a modest increase, when applied to the £55 billion outstanding credit card debt in the UK it amounts to an additional £385 million in added interest over the course of a year – over £1m extra a day.

Many credit card companies tightened their lending criteria, rejecting greater numbers of new applications. An increasing number of restrictions were placed on the enduringly popular zero-percent deals, such as balance transfer fees, prohibitions or restrictions on transfers between cards from the same provider and disparate zero-percent periods for transfers and for spending.

² Debt Statistics compiled by Credit Action, January 2007 compared to January 2008. See: <http://www.creditaction.org.uk>.

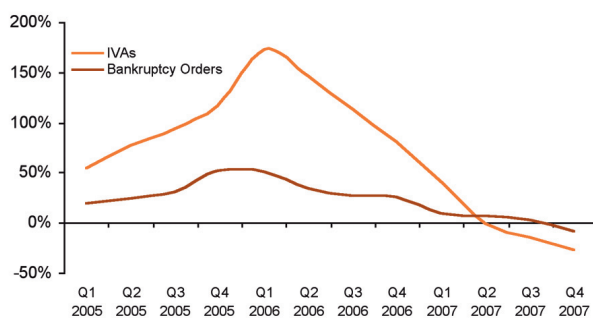
Average unsecured loan rates rose in response to the higher base rate, LIBOR and the increase in perceived risk. Those borrowing smaller amounts experienced the largest increase, from 12.4 percent in November 2006 to 14.9 percent by the end of 2007 for a loan of £3,000.³ In addition, recent ‘innovations’ such as the combination mortgage and unsecured loan of up to 125 percent of a property’s value have disappeared from the market. Further still, several major lenders pulled out of the loans market altogether.

Developments in the subprime market were mixed. Several years of major write-offs of unsecured debts and heavy losses in the US subprime mortgage sector lead to mainstream banks withdrawing from the sector. Products were shelved and recently acquired loan books with strong subprime profiles were sold on.

Reactions from the traditional subprime lenders were mixed with at least one major player announcing severe losses, leaving it struggling to meet new regulatory standards on capital reserves. However another high profile home credit lender announced solid growth at the close of the year, benefiting from the retreat of mainstream lenders from the market.

1.3 INSOLVENCY

Chart 1.3.1 – IVAs and bankruptcy growth areas



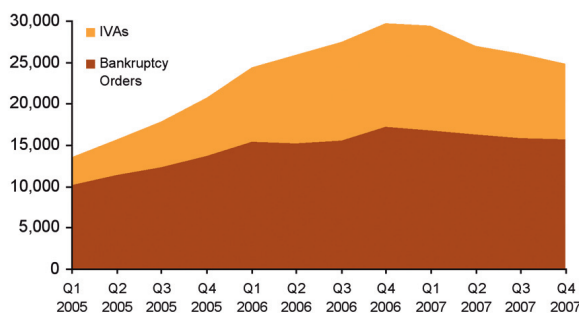
Source: Insolvency Service

The number of new IVAs dropped sharply in 2007, reversing the upward trend of previous years. One of the major reasons for this decline was CCCS’ entrance into the IVA market, offering radically lower costs and higher transparency. As a result banks were reluctant to approve IVA proposals, because of the high levels of fees charged by IVA companies. Additionally, increased regulatory attention from the OFT and the ASA restricted the permissible marketing techniques on which IVA companies have heavily relied to gain new customers.

³ FT Adviser, January 15 2008.

Total insolvencies in England and Wales (bankruptcies and IVAs) have stagnated in 2007. Bankruptcies have stabilised at around 15,000 over the last three quarters of 2007 which is 5,000 a quarter higher than in Q1 2005. Overall insolvencies were 11,000 higher in Q4 2007, compared to Q1 2005, an increase of 85 percent over two years.

Chart 1.3.2 - Insolvencies in England & Wales

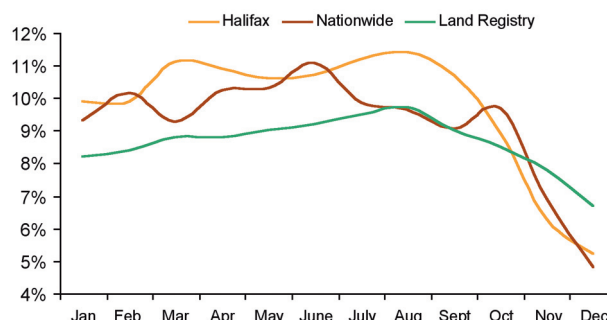


Source: Insolvency Service

1.4 SECURED LENDING

Although the UK subprime market was not nearly as highly developed as the US, recent trends had been leading in that direction. Subprime mortgages are estimated to account for six percent of overall UK mortgage lending, compared to 14 percent in the US⁴. It is estimated that 20 percent of UK mortgages written in 2007 were either subprime or to borrowers with no proof of income.⁵

Chart 1.4.1 - Annual house price inflation in 2007



Source: Halifax, Nationwide and the Land Registry

UK specialist subprime or 'non-standard' mortgage lenders fared particularly badly towards the end of the year, with many closing their books to new business. The outlook was even more bleak for some, forcing them to engage in large scale restructuring with the possibility of being forced into administration.

Chart 1.4.2 - Repossession orders



Source: Council of Mortgage Lenders and Ministry of Justice

The stagnating housing market has also led to difficulties for many homeowners. The quarterly number of repossession orders made is at its highest since 1993.

4 Wall Street Journal, January 22 2008.

5 "Many new mortgages dubbed subprime", Financial Times, January 12 2008.

Repossessions as a proportion of mortgages in long-term arrears also reached the highest level on record.⁶

Rising interest rates throughout the year put increasing pressure on household budgets, however the overall impact was staggered because of the large proportion of mortgages on fixed rates. A quarter point cut at the end of the year brought little relief as many lenders warned that they would be unable to pass this on to consumers.

⁶ Financial Risk Outlook 2008, FSA.

2. Feature: changes in client spending

An essential component of the CCCS philosophy is that those clients who can repay their debts should be helped to do so. Therefore tracking changing pressures on clients' incomes provides CCCS with a way of understanding its clients.

External factors affecting clients' living costs are relative to income. Therefore CCCS has split its client base into three categories:

- Those on or below the poverty line.⁷
- Those between poverty line and the national median income.
- Those on or above the national median income.

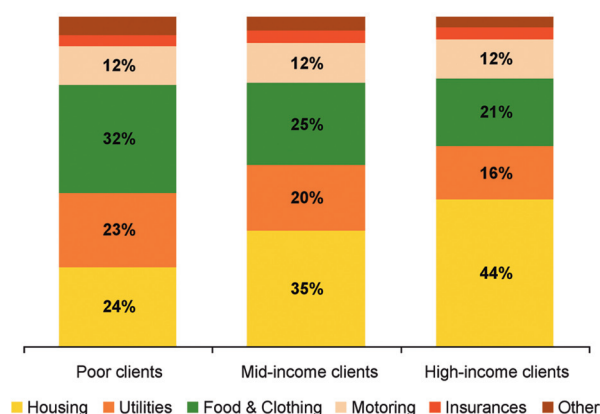
Henceforth these categories will be referred to as poor clients, mid-income clients, and high-income clients respectively.

The findings

Poor clients are more exposed to inflationary pressures as the basic living costs of food and utilities take up a greater proportion of their spending than the other income groups. Rises in gas and electricity tariffs of up to 32 percent⁸, announced in early 2008, will impact on these clients the most.

Poor clients paid 23 percent more for utilities in 2007 than four years earlier, and 14 percent more for food and clothing. Even so, these increases are moderate in comparison with the corresponding rise in prices for these commodities. According to Consumer Price Index (CPI) figures, the cost of gas, electricity and water rose by 75 percent, 54 percent and 26 percent respectively over the same four year period, suggesting that clients below the poverty line are having to reduce fuel usage to meet their commitments.

Chart 2.1 – CCCS client spending by income group in 2007



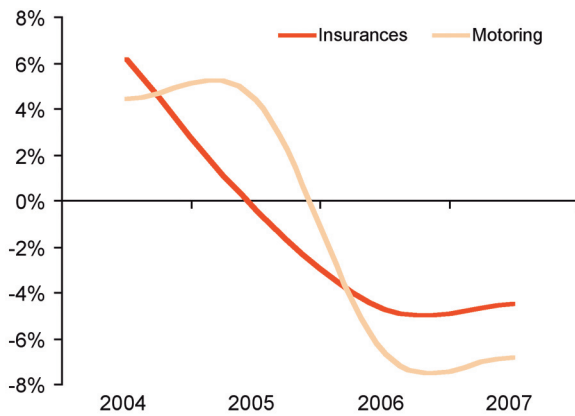
⁷ Poverty line as defined by the Department for Work and Pensions in 2006.

⁸ Most of the major energy companies raised prices in January 2008. The average rise for gas tariffs was 17.8 percent and for electricity tariffs was 13.5 percent according to <http://www.moneysavingexpert.com>.

There is evidence that the increasing burden on household budgets from rising utility, food and housing costs is forcing CCCS clients to economise in other areas.

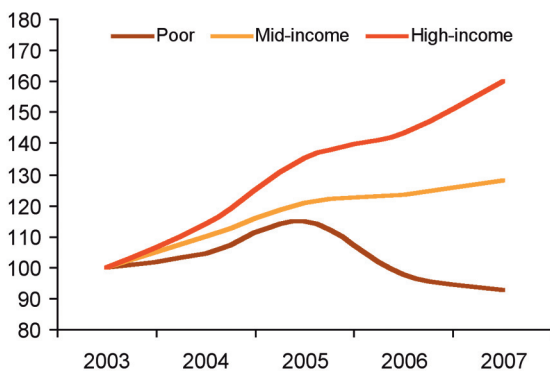
The most drastic cuts have been made by poor clients, who cut spending on insurance by almost five percent each year for the last two years and who have reduced spending on motoring by nearly eight percent a year in the same time. The CPI for insurance increased by four percent over these two years, implying an overall 20 percent reduction in real spending on insurance by the poorest CCCS clients.

Chart 2.2 - Year-on-year changes in spending by poor clients



There has been some relief for this group in that their housing costs have fallen during this period. As only eight percent of poor clients are homeowners, the average housing cost in this category is affected more by the rental market, which has softened in recent years through increased supply.⁹ By comparison, 27 percent of mid-income clients and 64 percent of high-income clients are homeowners. The combination of high house price inflation and increased base rates over the last few years have therefore impacted more on the housing costs for these client groups, as the housing index shows.

Chart 2.3 - CCCS client housing cost index



The relief provided for poor clients by the fall in housing costs is tempered by the fact that this accounts for only 24 percent of their overall spending, compared to 35 percent for mid-income clients and 44 percent for high-income clients.

9 Rental yields fell in all areas of Britain apart from Scotland in Q1 2006 – “Landlords look abroad for richer returns”, The Times, May 7 2006.

Although poor clients' housing costs have reduced by seven percent over the last four years, any potential gain from this reduction has been more than countered by a 14 percent increase in food and clothing costs for these clients over the same four year period.

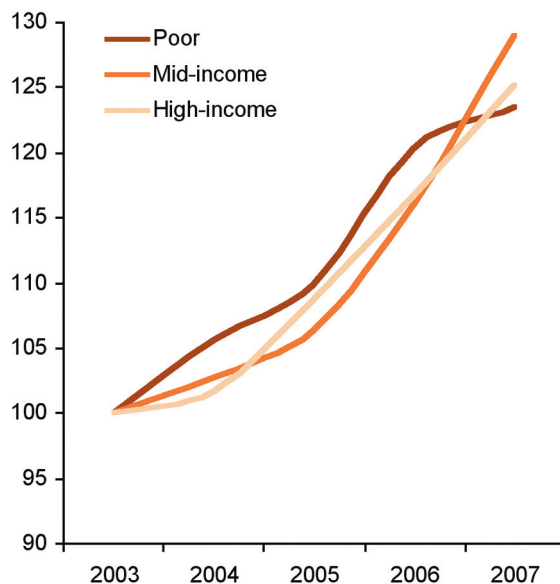
Overall, utilities is the only category where expenditure has risen every year for every income group of CCCS clients over the last four years.

Utilities payments are an increasingly crucial factor in the balancing act for those who are making efforts to repay their debts. CCCS calls on providers to ensure that they treat these customers fairly and reasonably should they run into difficulties.

Table 2.1 - Utilities as a proportion of client spending

	2003	2007
Poor	19.5%	22.7%
Medium-income	18.0%	19.8%
High-income	16.0%	16.4%

Chart 2.4 - CCCS client utilities cost index



3. CCCS Statistics

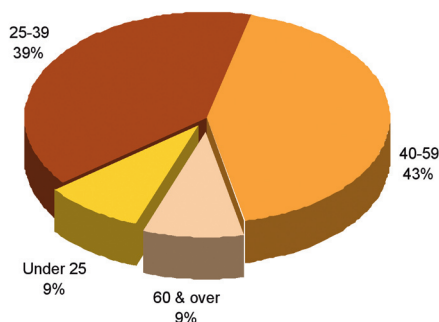
3.1 CCCS POPULATION STATISTICS

This section of the statistical yearbook looks at the population of CCCS clients who have reached us through our freephone helpline. The major trends in age, gender, housing, marital status, children and income are examined to give a clearer picture of CCCS clients. Given the size of our client base, it is highly likely that these trends are representative of the behaviour of the UK borrowing population in financial difficulty.

Table 3.1.1 – Age

	2005	2006	2007
Under 25	10.9%	8.7%	9.0%
25-39	45.7%	42.3%	39.2%
40-59	38.1%	41.3%	42.8%
60 and over	5.4%	7.8%	9.0%

Chart 3.1.1 - Client age (2007)



As seen in previous CCCS statistical yearbooks, there has been an increase in the over-60s seeking help. There has been a 3.6 percentage point increase over the last two years in this category which is now equal to the numbers of under-25s who come to us for help.

More females are coming to CCCS for help than in the past, now accounting for some 56 percent of our client base. The majority of clients are renters, although the proportion of home owners has increased slightly.

Table 3.1.2 – Gender

	2005	2006	2007
Female	53.4%	55.3%	56.0%
Male	46.6%	44.7%	44.0%

Table 3.1.3 – Housing situation

	2005	2006	2007
Owners	39.0%	39.1%	39.6%
Renters	61.0%	60.9%	60.4%

CCCS is engaging with more single clients than in previous years, with nearly 55 percent of its client base classified as single.

Table 3.1.4 – Marital status

	2005	2006	2007
Single	51.3%	51.9%	54.8%
Couple	48.7%	48.1%	45.2%

Table 3.1.5 – Number of children

	2005	2006	2007
0	55.9%	55.2%	57.3%
1	18.3%	18.9%	18.8%
2	16.6%	16.8%	15.8%
3	6.7%	6.6%	5.9%
4	2.0%	1.9%	1.7%
5	0.4%	0.5%	0.4%
6	0.1%	0.1%	0.1%

There has also been an increase in the proportion of those on very low incomes contacting CCCS. Within those earning under £10,000 a year, CCCS has seen a 10.5 percentage point increase over the last two years.

Table 3.1.6 – Annual income

	2005	2006	2007
Under £10,000	20.8%	24.8%	31.3%
£10,000 - £19,999	53.1%	49.2%	45.4%
£20,000 - £29,999	20.1%	19.4%	17.0%
£30,000 - £39,999	4.6%	5.1%	4.6%
£40,000 - £49,999	1.0%	1.1%	1.1%
£50,000 - £59,999	0.3%	0.3%	0.3%
£60,000 and over	0.2%	0.1%	0.2%

3.2 DEBT ANALYSIS

This section analyses debt levels of people who have had a full counselling session by a range of factors, such as marital status or age.

Average outstanding debt has fallen in 2007 across all categories, whether it be by marital status, age, income or housing status with the exception of those within the £50,000 to £59,999 income group who have demonstrated a slight increase in their outstanding debt over the last year.

Chart 3.2.1 - Outstanding debt by marital status

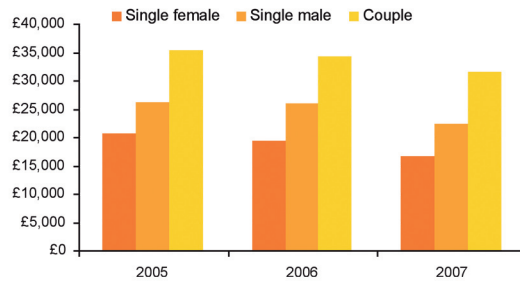


Chart 3.2.2 - Outstanding debt by age

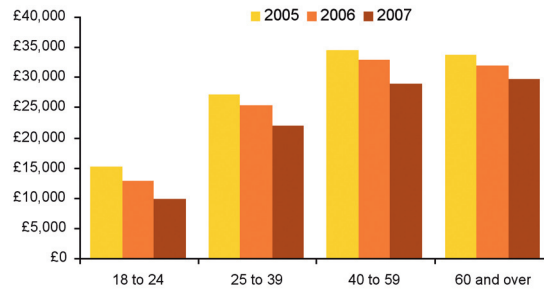


Chart 3.2.3 - Outstanding debt by income

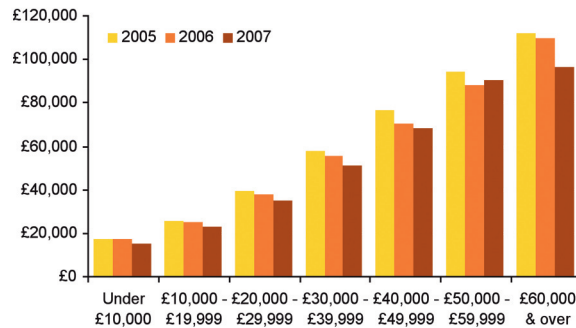


Chart 3.2.4 - Outstanding debt by housing status



Most clients have a debt to income ratio between 10 and 20:1. This means that their unsecured debt levels are between 10 and 20 times their income. Nearly a third of clients owe under £10,000, while just over a quarter owe between £10,000 and £19,999.

Chart 3.2.5 - Proportion of clients by debt to income ratio (2007)

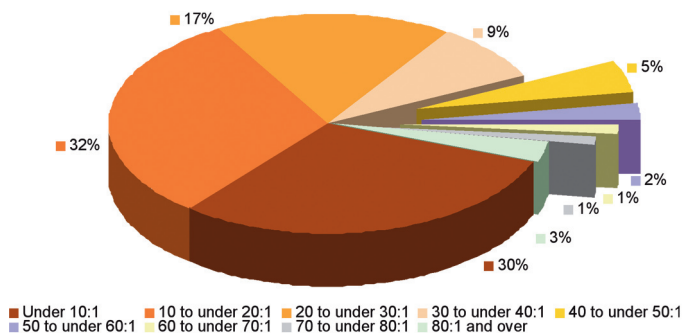
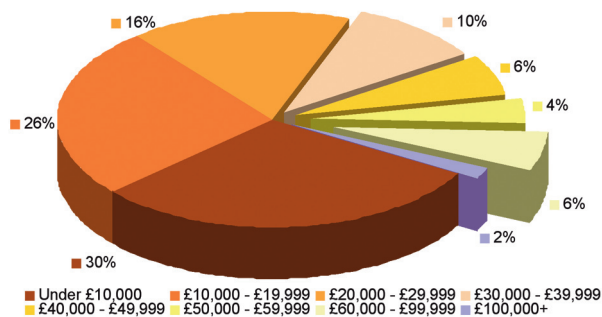
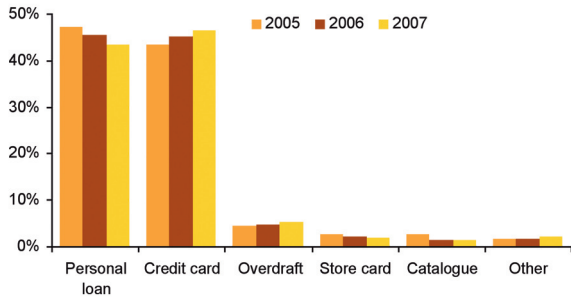


Chart 3.2.6 - Proportion of clients by debt level (2007)



Below are a series of charts looking at debt type by a range of factors: gender, marital status, income and housing status.

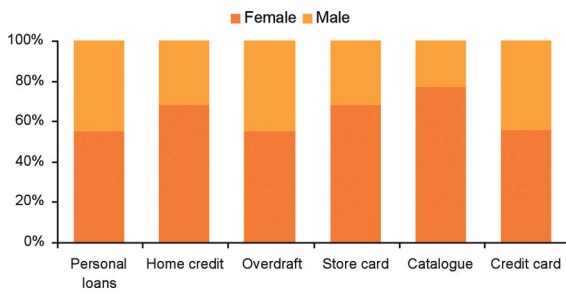
Chart 3.2.7 - Debt by type



Most of CCCS clients' debts are concentrated in personal loans and credit cards.

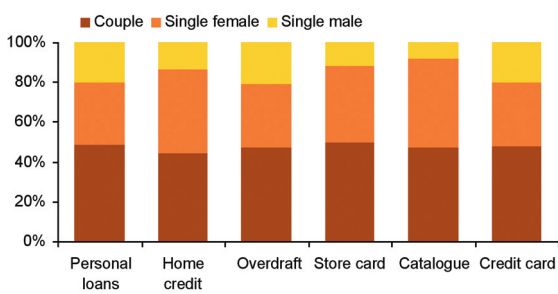
In 2007 for the first time clients owed more on credit cards than personal loans.

Chart 3.2.8 - Debt type by gender (2007)



Women are more likely to have home credit, store card and catalogue debt than men.

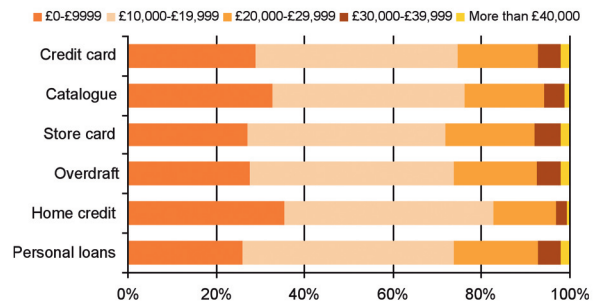
Chart 3.2.9 - Debt type by marital status (2007)



Single males are more likely to access high-street lending such as credit cards, overdrafts and personal loans; while single females are more likely to use 'higher rate' lending such as home credit, store cards and catalogues.

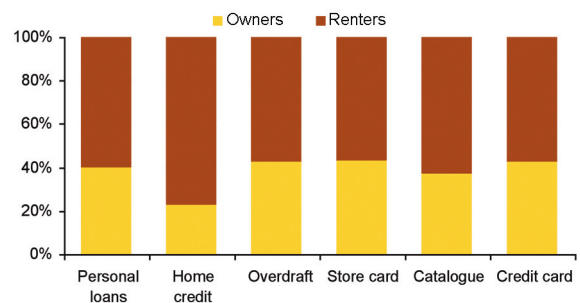
Those on lower incomes are more likely to have home credit than those on higher incomes who tend to have their debt concentrated in personal loans, store cards and credit cards.

Chart 3.2.10 - Debt type by income (2007)



Home owners are less likely to use personal loans and home credit which may be due to their access to additional forms of cheaper secured credit.

Chart 3.2.11 - Debt type by housing status (2007)



More analysis on debt by income can be found in section 2 of the statistical yearbook 2007.¹⁰

Extreme debt

Clients are judged as having extreme debt if they meet one or more of the following criteria:

- unsecured debts of more than £100,000
- 16 or more credit cards
- debt to income ratios of more than 66:1

¹⁰ See page 5.

Table 3.2.1 – Comparison of clients in extreme debt

	Debt > £100,000	D:I ratio > 66:1	16+ credit cards
2002-4	850	2,322	178
2004-5	1,601	2,180	157
2006	2,199	3,735	288
2007	1,623	3,734	213

Table 3.2.2 – Clients owing more than £100,000

	Number of clients	Clients	Av. debt of clients
2002-4	850	1.4%	£132,318
2004-5	1,601	2.7%	£129,681
2006	2,199	2.5%	£129,535
2007	1,623	2.0%	£131,315

Table 3.2.3 – Clients with a D:I ratio of more than 66:1

	Number of clients	Clients	Av. D:I ratio
2002-4	2,322	3.8%	124:1
2004-5	2,180	3.6%	109:1
2006	3,735	4.2%	126:1
2007	3,734	4.6%	124:1

Table 3.2.4 – Clients with more than 16 credit cards

	Number of clients	Clients	Av. number of cards
2002-4	178	0.3%	20
2004-5	157	0.3%	19
2006	288	0.3%	19
2007	213	0.3%	19

Generally, as with last year, the picture for extreme debt is a stable one. The only area which has seen a change is in the proportion of clients who owe more than 66:1 which has increased for the third period running (by 0.4 percentage points in 2007). This, however, may be because CCCS is counselling more people on lower incomes than before. There has been a reduction in the numbers who owe more than £100,000 as a percentage of all CCCS clients though their average debt has remained relatively stable.

3.3 DEBT MANAGEMENT PLANS

The best advice for 42 percent of the clients counselled by CCCS is to benefit from the help and support offered by a CCCS administered Debt Management Plan (DMP).

While repaying through a DMP, a client will make one monthly payment to CCCS which will distribute the negotiated repayment amongst the client's lenders. Lenders agree to stop any collections activity, but unfortunately not all accede to our request to stop any interest charges and late payment fees on their customers' accounts when they come under CCCS debt management.

The following charts and tables show statistics about DMPs administered by CCCS during 2007.

Table 3.3.1 shows that CCCS is helping clients pay back over £2.7 billion to their lenders through DMPs.

Table 3.3.1 – Total debt under management at year end

	2005	2006	2007
Total debt in DMPs	£1,515,748,836	£2,299,658,646	£2,703,373,917

Chart 3.3.1 - Total debt of clients on a DMP

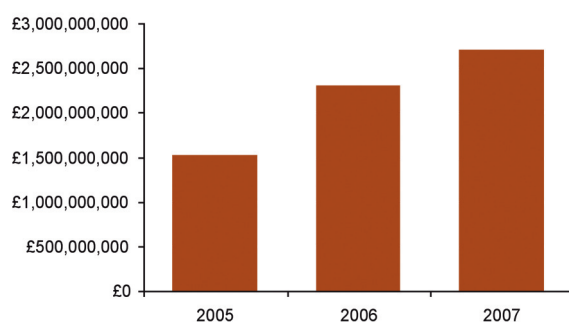


Table 3.3.2 details how much money has been repaid by clients to their lenders through CCCS. In 2007, CCCS repaid over £194 million to lenders, almost double the amount repaid in 2005.

Table 3.3.2 – Repayments to lenders

	2005	2006	2007
Total repayment	£99,269,884	£140,327,999	£194,814,158

The average outstanding debt of clients beginning a DMP each month has decreased since 2006, suggesting that clients seek help earlier. In 2007, the average outstanding debt for a client on a CCCS DMP was £29,038.

Table 3.3.3 – Average outstanding debt by starting month

	2005	2006	2007
January	£31,406	£32,042	£29,954
February	£29,736	£32,177	£30,511
March	£31,078	£33,107	£29,489
April	£30,551	£32,083	£29,180
May	£30,738	£31,031	£29,035
June	£30,800	£32,473	£28,844
July	£31,779	£30,541	£28,336
August	£31,331	£30,458	£28,232
September	£30,680	£31,585	£28,609
October	£30,921	£29,625	£27,980
November	£30,486	£30,560	£29,016
December	£29,648	£30,757	£28,085
Average	£30,763	£31,370	£29,038

Table 3.3.4 – Number of new clients starting a DMP per month

	2005	2006	2007
January	1,705	2,189	3,196
February	1,728	2,496	3,966
March	1,939	2,987	3,500
April	1,864	2,524	2,679
May	1,804	2,730	2,679
June	2,162	3,699	2,480
July	2,032	2,987	2,362
August	2,174	2,975	2,078
September	2,253	2,627	2,025
October	2,389	3,302	1,954
November	2,348	3,790	2,633
December	2,046	2,829	1,493
Total	24,444	35,135	31,045

Some clients complete their CCCS DMPs or decide that they are now in a strong enough position, both financially and personally, to continue repayments to lenders on their own. Some benefit from a salary increase or promotion or find other means of paying off their debts. At the same time, new people are starting a CCCS DMP every month. The following table gives the number of CCCS clients at each month end. By the end of 2007, there were over 86,000 people on a CCCS DMP.

Table 3.3.5 – Number of clients on a DMP at month end

	2005	2006	2007
January	38,640	52,513	74,997
February	39,647	53,851	77,671
March	40,866	55,834	79,562
April	41,384	57,475	80,687
May	42,345	59,217	81,844
June	43,423	61,829	82,740
July	44,540	63,585	83,146
August	45,885	65,480	83,889
September	47,188	66,912	84,467
October	48,717	68,784	84,986
November	50,188	71,482	86,622
December	51,333	73,655	86,145

Table 3.3.6 – Average repayment per month

	2005	2006	2007
January	£221	£222	£225
February	£220	£219	£220
March	£218	£217	£218
April	£220	£218	£220
May	£217	£218	£221
June	£216	£217	£224
July	£216	£216	£226
August	£217	£214	£224
September	£215	£216	£226
October	£216	£216	£223
November	£217	£219	£230
December	£217	£218	£225
Average	£218	£217	£223

CCCS clients' financial circumstances vary widely. Some can make larger contributions to their lenders via a CCCS DMP than others. The previous table outlines the average monthly payment made to CCCS for distribution to their lenders by clients on a CCCS DMP.

3.4 CALLING CCCS

CCCS' phone lines remain the lifeblood of the charity. There are now four main helpline areas which take calls from different people outside the charity. These four areas are: helpline, client support, DMP processing and customer services (which contains client and creditor services). Each has its own role to play.¹¹

CCCS also makes outbound calls when calling clients for their counselling sessions.

CCCS answered over a million calls in 2007, a quarter of which were helpline calls. For a quarterly breakdown of calls received, please see section 4.7 on page 36.

Table 3.4.1 – Total calls received

	2005	2006	2007
Helpline	201,145	293,521	253,908
Client support	83,346	152,064	246,639
Customer services	315,062	436,283	547,378
DMP processing	-	35,683	42,359
Total	599,553	917,551	1,090,284

3.5 CCCS DEBT REMEDY

CCCS recently celebrated the first anniversary of its online counselling service, CCCS Debt Remedy. This is an online application which enables users to receive free and anonymous tailored advice about their debt problems via the internet.

Launched at the beginning of September 2006, CCCS Debt Remedy uses detailed decision logic based on the process carried out during a standard counselling appointment. The result is a personalised advice booklet tailored to the user's individual circumstances which can be downloaded or printed.

¹¹ For a description of the function of each department, please see the Data Dictionary in the appendix to this yearbook.

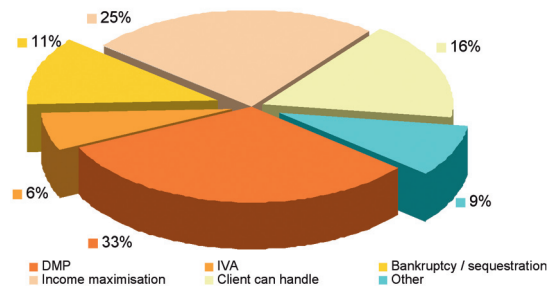
The process involves detailed data capture of the user’s income and expenditure outgoings (including online budget negotiation) in order to accurately calculate the surplus available for repayment to creditors.

The online service is completely confidential, personal details are only captured if users have been advised to enter into either a DMP or an IVA with CCCS and agreed to do so.

Table 3.5.1 – CCCS Debt Remedy users

	2007
Q1	22,839
Q2	18,020
Q3	18,465
Q4	16,545
Total	75,869

Chart 3.5.1 - First recommendations for CCCS Debt Remedy users (2007)



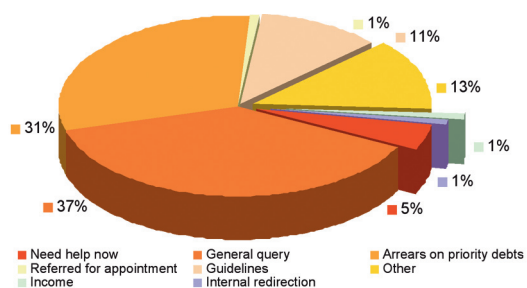
When clients complete CCCS Debt Remedy they receive up to four best advice recommendations, according to their circumstances. The chart above outlines the first recommendations for users who completed CCCS Debt Remedy in 2007.

At any point during the CCCS Debt Remedy process, a user can call a dedicated support line to seek help. The web support team generally takes very quick calls from users who then tend to go straight back to the online process.

Table 3.5.2 – Number of web support calls taken

	2007
Q1	4,904
Q2	3,803
Q3	4,119
Q4	4,304
Total	17,130

Chart 3.5.2 – Type of web support calls (2007)



Most calls are general queries, although we do get many calls which deal with arrears on priority debts (mortgages, council tax). Less than one percent of all calls are from the public who no longer want to continue with the online process and who would like a telephone counselling session instead.

CCCS has found that there are income and demographic differences between the users of CCCS Debt Remedy and clients who reached us via the freephone helpline. CCCS Debt Remedy clients are more likely to be homeowners and more likely to have a higher income. They have higher debt levels - £27,443 compared to £24,487 for all clients who had an in-depth counselling session over the telephone or face-to-face.

Please note that in the following charts and tables, “CCCS Debt Remedy ” refers to those who have completed CCCS Debt Remedy and that “CCCS” refers to clients who have completed a traditional in-depth counselling session.

Table 3.5.3 – Housing situation for CCCS Debt Remedy users and CCCS clients

	CCCS Debt Remedy	CCCS
Owners	44.2%	39.6%
Renters	55.8%	60.4%

CCCS Debt Remedy users tend to be wealthier than traditional CCCS clients. As such it comes as no surprise that the numbers with catalogue and store cards debts are higher for CCCS clients. Looking at debt by income level for CCCS Debt Remedy users reveals that those with higher levels of debt tend to have more personal loans and credit card debt.

Chart 3.5.3 – Annual income for CCCS Debt Remedy users and CCCS clients (2007)

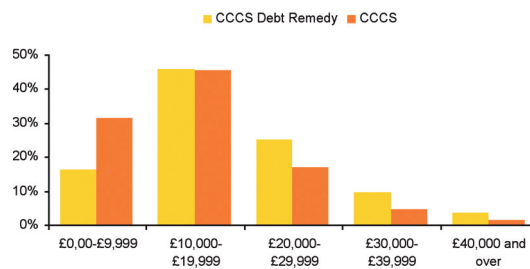


Chart 3.5.4 – Debt type for CCCS Debt Remedy users and CCCS clients (2007)

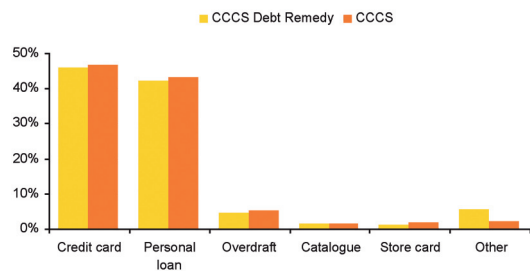
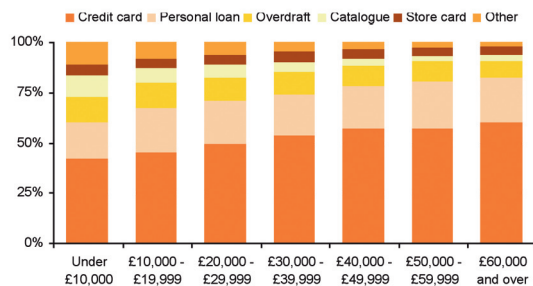


Chart 3.5.5 – Debt type by income for CCCS Debt Remedy users (2007)



3.6 APPOINTMENT RESULTS

Clients come to CCCS with different counselling needs. There are two first points of contact: via the helpline and via CCCS Debt Remedy.¹² The following statistics only relate to calls initially received through the helpline.

Some calls are termed general advice calls, in which the helpline adviser will be able to deal with the problem there and then, or redirect callers to another resource or agency better able to help with the problem.

Other clients are either sent a self-help pack, so they can manage their own debts, or are offered an appointment. At the appointment, the counsellor will examine the client's debts and financial situation in detail and advise either a DMP or another solution – these are headed below under the catch all term of financial counselling offered.

Table 3.6.1 – Number of appointments completed

	2005	2006	2007
Q1	11,582	16,000	20,870
Q2	11,838	17,556	15,479
Q3	14,044	18,305	14,006
Q4	14,348	21,425	13,481
Total	51,812	73,286	63,836

Table 3.6.2 – Number of DMPs offered

	2005	2006	2007
Q1	6,813	9,219	10,474
Q2	7,205	9,592	7,536
Q3	8,464	9,529	6,329
Q4	8,462	11,145	5,882
Total	30,944	39,485	30,221

12 For more information on CCCS Debt Remedy, please see previous section 3.5.

Table 3.6.3 – Number of clients offered financial counselling

	2005	2006	2007
Q1	4,769	6,781	10,396
Q2	4,633	7,964	7,943
Q3	5,580	8,776	7,677
Q4	5,886	10,280	7,599
Total	20,868	33,801	33,615

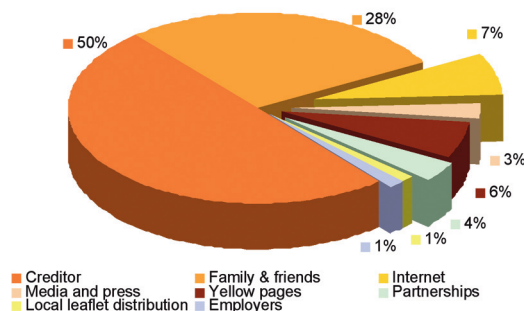
Table 3.6.4 – Number of self-help packs sent

	2005	2006	2007
Q1	8,519	13,137	3,588
Q2	9,367	8,447	2,484
Q3	8,934	6,062	1,052
Q4	9,952	3,926	396
Total	36,772	31,572	7,520

We are now able to offer counselling appointments to more people, as a result the number of self-help packs sent out in 2007 has decreased dramatically.

Clients who were advised by their lenders to contact CCCS make up half of all referrals that CCCS receives. Recommendations from family and friends make up the next biggest category at 28 percent, reflecting the high regard our service is held in by current and former clients.

Chart 3.6.1 - How clients heard of CCCS (2007)



The table below shows the recommended solutions reached by a CCCS counsellor at the time of the appointment. CCCS DMPs account for the largest category at around 42 percent, followed by bankruptcy and token payments. IVA recommendations are relatively low and have fallen in 2007 to 2.2 percent.

Table 3.6.5 – Appointment recommendations

	2006	2007
DMP	45.8%	41.9%
Bankruptcy/sequestration	20.0%	19.4%
Token payments	13.9%	15.1%
Meets actual payments	6.3%	7.4%
Client to deal directly with creditors	4.6%	6.6%
Realise assets	4.1%	4.4%
IVA/trust deed	3.0%	2.2%
Income maximisation	1.9%	2.4%
Administration orders	0.5%	0.6%

4. Appendices

4.1 THE CREDIT COUNSELLING PROCESS

There are two main points of contact, via the free phone helpline and via the CCCS website which includes the CCCS Debt Remedy service.

If contact is made via the free helpline, people in financial difficulties are offered appropriate assistance, be it emergency help, general advice, self-help material or the offer of an in-depth counselling advice session. About one quarter of all those contacting CCCS will receive a full counselling session. Most counselling takes place over the phone, although face-to-face interviews are available in all 11 CCCS centres across the country.

The interview consists of a full review of their household budget and debt situation. The first priority is to ensure that the client and the client's family have enough to live on: only then will the counsellor discuss options for repaying debts. Provided there are sufficient funds, the counsellor will propose a DMP which CCCS will administer. Other advice is offered as appropriate, including bankruptcy, IVAs and token payments.

If contact is made via the website then the entire counselling process may be completed online and is tailored to those individuals' particular circumstances. A handbook outlining all the relevant information is generated for the user to download or print and is emailed to them. This is a revolutionary new counselling approach.

Whether counselling is carried out online or over the phone, clients are always offered the solution which is best for their situation, plus other options if appropriate. Where DMPs are recommended, the counsellor's aim is to ensure that the plan is both realistic and in the client's best interest.

Who uses credit counselling?

Over-indebtedness can be caused by a range of factors: reduced income, illness, relationship problems, changes in employment or overuse of credit. CCCS clients are from all walks of life and include people with both high and low incomes but a typical client on a repayment plan is their late-30s/early-40s, married with children with an average debt of £29,038.

Who supports CCCS?

CCCS is self-funding through a model which relies on creditors providing fair-share contributions, thereby enabling CCCS to provide all its services free of charge to the public.

From its original founders, Registry Trust and major lenders, CCCS now has the support of the credit industry and associated organisations. Half of the people who contact CCCS are referred by their creditors.

4.2 DATA DICTIONARY AND NOTES ON DATA

The data for the CCCS Statistical Yearbook has been taken from the CCCS data warehouse. Information gathered from January 1 2005 to December 31 2007.

The following are definitions of terms used throughout this statistical yearbook.

Helpline

CCCS operates a freephone helpline and is the first point of contact for families and individuals with debt problems giving them access to free and confidential advice. A quarter of people calling this number in 2007 were offered an appointment with a trained debt counsellor for further budgeting and advice.

Helpline terms

GAC – General Advice Call. Calls from clients where the client receives advice and does not require an appointment with a counsellor.

SHP – Self Help Pack. A brochure with budgeting advice usually given to clients who wish to manage their debt on their own or who require simple budgeting help.

Counselling terms

DMP – Debt Management Plan. The DMP is a repayment scheme administered by CCCS for people unable to pay their creditors the full contractual payments.

DMP offered – Clients who have been offered a DMP after a telephone or face-to-face appointment with a CCCS counsellor.

FCO – Financial Counselling Offered. Clients who have had an appointment with a counsellor but have not gone on to a DMP.

Customer Services (CS)

Customer Services offers after care support for clients on DMPs. This department also deals with calls from creditors to maintain the DMPs.

Client Support (CSP)

Client Support gives aftercare support to DMP clients in the form of budget reviews and further debt advice. They contact clients who have missed payments to assess their situation.

Client support terms

Review – A review of a client's budget carried out annually. CCCS Debt Remedy clients are reviewed every six months

DMP processing

DMP processing deals with setting up DMPs and collecting and disbursing clients' monthly repayments to creditors.

CCCS Debt Remedy

CCCS online virtual counselling service available through CCCS' website and in partnership with other websites including MSN Money.

4.3 TABLES RELATING TO GRAPHS FROM SECTION 1

Table 4.3.1 – Monthly growth in outstanding credit card balances in 2007

2007	
January	-0.41%
February	-0.07%
March	-0.00%
April	-0.47%
May	-0.04%
June	-0.23%
July	-0.02%
August	-0.09%
September	1.32%
October	0.74%
November	0.67%
December	0.23%

Source: Bank of England

Table 4.3.2 – Bankruptcies, IVAs, Scottish insolvencies, CCCS DMPs and totals by quarter

	Bankruptcy Orders	IVAs	Scottish Insolvencies	CCCS DMPs	Total
Q1 2005	10,175	3,292	2,462	6,700	22,629
Q2 2005	11,259	4,386	2,830	7,078	25,553
Q3 2005	12,182	5,611	3,593	6,459	27,845
Q4 2005	13,675	7,004	2,961	6,783	30,423
Q1 2006	15,310	8,964	3,111	7,672	35,057
Q2 2006	15,090	10,779	3,544	8,953	38,366
Q3 2006	15,486	11,944	3,601	8,589	39,620
Q4 2006	17,070	12,649	3,382	9,921	43,018
Q1 2007	16,742	12,597	3,471	10,662	43,472
Q2 2007	16,170	10,699	3,498	7,838	38,205
Q3 2007	15,833	10,239	3,527	6,465	36,064
Q4 2007	15,659	9,188	3,318	6,080	34,245

Source: Insolvency Service and CCCS

Table 4.3.3 – Year-on-year changes in bankruptcies, IVAs, Scottish insolvencies, CCCS DMPs and totals by quarter

	Bankruptcy Orders	IVAs	Scottish Insolvencies	CCCS DMPs	Total
Q1 2005	19.4%	53.8%	14.3%	43.3%	29.4%
Q2 2005	24.3%	77.2%	31.0%	40.7%	36.5%
Q3 2005	30.8%	92.7%	47.2%	13.6%	36.8%
Q4 2005	52.0%	117.2%	15.4%	21.0%	49.2%
Q1 2006	50.5%	172.3%	26.4%	14.5%	54.9%
Q2 2006	34.0%	145.8%	25.2%	26.5%	50.1%
Q3 2006	27.1%	112.9%	0.2%	33.0%	42.3%
Q4 2006	24.8%	80.5%	14.2%	46.3%	41.4%
Q1 2007	9.4%	40.5%	11.6%	39.0%	24.0%
Q2 2007	7.2%	-0.7%	-1.3%	-12.5%	-0.4%
Q3 2007	2.2%	-14.3%	-2.1%	-24.7%	-9.0%
Q4 2007	-8.3%	27.3%	-1.9%	-38.7%	-20.4%

Source: Insolvency Service and CCCS

Table 4.3.4 – Annual house price inflation in 2007

	Halifax	Nationwide	Land Registry
January	9.9%	9.3%	8.2%
February	9.9%	10.2%	8.4%
March	11.1%	9.3%	8.8%
April	10.9%	10.2%	8.8%
May	10.6%	10.3%	9.0%
June	10.7%	11.1%	9.2%
July	11.2%	9.9%	9.5%
August	11.4%	9.6%	9.7%
September	10.7%	9.0%	9.0%
October	8.9%	9.7%	8.5%
November	6.3%	6.9%	7.8%
December	5.2%	4.8%	6.7%

Source: Halifax, Nationwide, Land Registry

Table 4.3.5 – Repossession orders

	Orders made	Orders suspended
Q1 2003	3,824	5,913
Q2 2003	4,044	6,044
Q3 2003	4,321	6,360
Q4 2003	4,343	6,189
Q1 2004	4,550	6,792
Q2 2004	4,849	6,620
Q3 2004	5,319	6,625
Q4 2004	5,376	6,552
Q1 2005	6,062	8,013
Q2 2005	8,450	9,915
Q3 2005	9,267	10,440
Q4 2005	9,039	9,778
Q1 2006	10,816	11,141
Q2 2006	11,098	11,060
Q3 2006	12,336	11,722
Q4 2006	11,860	10,634
Q1 2007	12,792	11,268
Q2 2007	12,365	10,636
Q3 2007	13,228	10,578
Q4 2007	13,504	11,504

Source: Council of Mortgage Lenders and Ministry of Justice

4.4 TABLES RELATING TO GRAPHS FROM SECTION 2

Table 4.4.1 – Average monthly expenditure by income group (2007)

	Utilities	Housing	Insurance	Food & Clothing	Motoring	Other
Poor clients	22.7%	23.9%	3.4%	32.5%	11.9%	5.7%
Mid-income clients	19.8%	35.1%	3.5%	24.8%	12.2%	4.5%
High-income clients	16.4%	44.3%	3.6%	20.6%	11.8%	3.3%

Table 4.4.2 – Year-on-year change in spending by poor clients

	Motoring	Insurance
18 to 24	4.5%	6.2%
25 to 39	4.4%	-0.4%
40 to 59	-6.7%	-4.7%
60 and over	-6.8%	-4.5%

Table 4.4.3 – Index expenditure by income group and year

	Year	Utilities	Housing	Insurances
Poor clients	2003	100.0	100.0	100.0
	2004	105.6	104.3	106.2
	2005	109.9	114.8	105.8
	2006	120.3	97.8	100.8
	2007	123.5	92.6	96.2
Mid-income clients	2003	100.0	100.0	100.0
	2004	102.8	109.7	100.1
	2005	106.4	120.7	101.5
	2006	116.1	123.6	99.8
	2007	129.0	128.0	99.1
High-income clients	2003	100.0	100.0	100.0
	2004	101.8	114.2	99.8
	2005	108.8	135.4	104.9
	2006	116.7	143.5	101.8
	2007	125.2	160.3	102.3

Continued over

Table 4.4.3 – Index expenditure by income group and year (continued)

	Year	Food & clothing	Motoring	Other
Poor clients	2003	100.0	100.0	100.0
	2004	104.7	104.5	107.5
	2005	107.3	109.1	111.1
	2006	112.8	101.8	110.5
	2007	113.8	94.9	102.7
Mid-income clients	2003	100.0	100.0	100.0
	2004	101.7	101.8	102.4
	2005	101.9	102.7	101.8
	2006	103.8	100.5	105.1
	2007	112.1	97.6	102.7
High-income clients	2003	100.0	100.0	100.0
	2004	98.3	97.5	100.2
	2005	96.9	99.1	99.1
	2006	95.6	95.7	97.7
	2007	97.4	92.3	91.8

Table 4.4.4 – Housing, food & clothing as a proportion of overall client spending

	Housing	Food & clothing
Poor clients	8.7%	9.0%
Mid-income clients	42.3%	39.2%
High-income clients	41.3%	42.8%

Table 4.4.5 – Utility costs as a proportion of overall client spending

	Utilities
Poor clients	22.7%
Mid-income clients	19.8%
High-income clients	16.4%

4.5 TABLES RELATING TO GRAPHS FROM SECTION 3.1

Table 4.5.1– CCCS clients by age

	2005	2006	2007
Under 25	10.9%	8.7%	9.0%
25 to 39	45.7%	42.3%	39.2%
40 to 59	38.1%	41.3%	42.8%
60 and over	5.4%	7.8%	9.0%

4.6 TABLES RELATING TO GRAPHS FROM SECTION 3.2

Table 4.6.1A – Outstanding debt by marital status

	2005	2006	2007
Single female	£20,592	£19,380	£16,697
Single male	£26,187	£25,952	£22,362
Couple	£35,348	£34,309	£31,405

Table 4.6.1/B – Percentage change in debt by marital status

	Growth during 2005	Growth during 2006	Growth during 2007
Single female	16.1%	-5.9%	-13.8%
Single male	8.5%	-0.9%	-13.8%
Couple	12.7%	-2.9%	-8.5%

Table 4.6.2/A – Outstanding debt by age band

	2005	2006	2007
18 to 24	£15,079	£12,790	£9,656
25 to 39	£27,152	£25,281	£21,876
40 to 59	£34,456	£32,886	£28,903
60 and over	£33,568	£31,867	£29,642

Table 4.6.2/B – Percentage change in outstanding debt by age band

	Growth during 2005	Growth during 2006	Growth during 2007
18 to 24	13.1%	-15.2%	-24.5%
25 to 39	13.3%	-6.9%	-13.5%
40 to 59	15.2%	-4.6%	-12.1%
60 and over	24.5%	-5.1%	-7.0%

Table 4.6.3/A – Outstanding debt by income

	2005	2006	2007
Under £10,000	£17,152	£17,100	£15,181
£10,000 - £19,999	£25,571	£24,885	£22,582
£20,000 - £29,999	£39,406	£37,763	£34,818
£30,000 - £39,999	£57,712	£55,042	£50,794
£40,000 - £49,999	£76,270	£70,114	£67,821
£50,000 - £59,999	£93,741	£87,752	£90,178
£60,000 and over	£111,729	£109,550	£96,300

Table 4.6.3/B – Percentage change in debt by income

	2005	2006	2007
Under £10,000	9.7%	-0.3%	-11.2%
£10,000 - £19,999	8.2%	-2.7%	-9.3%
£20,000 - £29,999	6.2%	-4.2%	-7.8%
£30,000 - £39,999	2.0%	-4.6%	-7.7%
£40,000 - £49,999	-1.8%	-8.1%	-3.3%
£50,000 - £59,999	-11.4%	-6.4%	-2.8%
£60,000 and over	0.6%	-2.0%	-12.1%

Table 4.6.4/A – Outstanding debt by housing situation

	2005	2006	2007
Owners	£38,724	£37,836	£34,889
Renters	£24,161	£23,174	£19,925

Table 4.6.4/B – Percentage change in debt by housing situation

	Growth during 2005	Growth during 2006	Growth during 2007
Owners	10.0%	-2.3%	-7.8%
Renters	10.7%	-4.1%	-14.0%

Table 4.6.5/A – Outstanding debt by debt to income ratio

	2005	2006	2007
Under 10:1	£8,693	£8,411	£7,482
10 to under 20:1	£20,769	£20,852	£20,072
20 to under 30:1	£34,003	£34,110	£32,204
30 to under 40:1	£46,252	£44,732	£41,196
40 to under 50:1	£55,541	£52,245	£47,758
50 to under 60:1	£61,784	£58,288	£51,147
60 to under 70:1	£67,596	£62,356	£52,273
70 to under 80:1	£73,228	£65,331	£54,786
80 to under 90:1	£78,748	£65,841	£57,122
90 to under 100:1	£75,741	£61,776	£56,070
100:1 and over	£83,278	£78,523	£69,393

Table 4.6.5/B – Proportion of CCCS clients by debt to income ratio

	2005	2006	2007
Under 10:1	23.1%	25.3%	30.3%
10 to under 20:1	32.7%	32.0%	30.8%
20 to under 30:1	20.8%	19.8%	17.3%
30 to under 40:1	10.7%	10.1%	8.8%
40 to under 50:1	5.4%	5.0%	4.7%
50 to under 60:1	2.7%	2.7%	2.5%
60 to under 70:1	1.4%	1.6%	1.5%
70 to under 80:1	1.0%	0.9%	1.0%
80:1 and over	2.1%	2.7%	3.1%

Table 4.6.6 – Proportion of CCCS clients by debt levels

	2005	2006	2007
Under £10,000	19.5%	22.8%	30.1%
£10,000 - £19,999	26.8%	26.0%	25.9%
£20,000 - £29,999	19.2%	18.4%	16.4%
£30,000 - £39,999	12.1%	11.6%	10.1%
£40,000 - £49,999	7.6%	7.4%	6.2%
£50,000 - £59,999	5.0%	4.7%	3.9%
£60,000 - £99,999	7.3%	7.0%	5.7%
£100,000 and over	2.5%	2.2%	1.8%

Table 4.6.7 – Debt by type

	2005	2006	2007
Personal loans	47.1%	45.3%	43.2%
Credit card	43.3%	45.2%	46.5%
Overdraft	4.3%	4.6%	5.1%
Store card	2.6%	2.1%	1.8%
Catalogue	2.6%	1.3%	1.4%
Other	1.5%	1.6%	2.0%

Table 4.6.8 – Debt type by gender (2007)

	Female	Male
Personal loans	54.5%	45.5%
Home credit	68.1%	31.9%
Overdraft	54.8%	45.2%
Store card	67.7%	32.3%
Catalogue	76.7%	23.3%
Credit card	55.2%	44.8%

Table 4.6.9 – Debt type by marital status (2007)

	Couple	Single female	Single male
Personal loans	48.0%	31.3%	20.7%
Home credit	43.7%	42.2%	14.1%
Overdraft	47.2%	31.9%	20.9%
Store card	49.3%	38.9%	11.8%
Catalogue	46.7%	44.9%	8.4%
Credit card	47.6%	32.1%	20.3%

Table 4.6.10 – Debt type by income (2007)

	Personal loans	Home credit	Overdraft
Under £10,000	26.2%	35.5%	27.7%
£10,000-£19,999	47.6%	47.4%	46.2%
£20,000-£29,999	19.0%	14.1%	18.8%
£30,000-£39,999	5.3%	2.6%	5.4%
£40,000-£49,999	1.3%	0.4%	1.3%
£50,000-£59,999	0.3%	0.0%	0.3%
£60,000 and over	0.2%	0.0%	0.2%

	Store card	Catalogue	Credit card
Under £10,000	27.3%	32.8%	29.0%
£10,000-£19,999	44.7%	43.6%	45.6%
£20,000-£29,999	20.1%	17.9%	18.3%
£30,000-£39,999	6.0%	4.6%	5.2%
£40,000-£49,999	1.4%	0.9%	1.2%
£50,000-£59,999	0.4%	0.2%	0.3%
£60,000 and over	0.2%	0.1%	0.2%

Table 4.6.11 – Debt type by housing status (2007)

	Owners	Renters
Personal loans	39.8%	60.2%
Home credit	22.8%	77.2%
Overdraft	42.4%	57.6%
Store card	43.3%	56.7%
Catalogue	37.1%	62.9%
Credit card	42.7%	57.3%

4.7 TABLES RELATING TO SECTION 3.4

Table 4.7.1– Number of helpline counselling calls taken

	2005	2006	2007
Q1	53,689	65,537	86,990
Q2	50,353	70,592	62,094
Q3	46,847	83,604	54,374
Q4	50,256	73,788	50,450
Total	201,145	293,521	253,908

Table 4.7.2 – Number of client support calls taken

	2005	2006	2007
Q1	19,171	30,553	52,473
Q2	20,564	34,341	60,916
Q3	23,564	42,485	63,911
Q4	20,047	44,685	69,339
Total	83,346	152,064	246,639

Table 4.7.3 – Number of DMP processing calls taken

	2006	2007
Q1	4,607	13,258
Q2	8,254	10,114
Q3	11,040	9,298
Q4	11,782	9,689
Total	35,683	42,359

Table 4.7.4 – Number of customer service calls taken

	2005	2006	2007
Q1	79,003	92,969	143,564
Q2	79,332	106,624	128,817
Q3	83,073	117,690	138,490
Q4	73,654	119,000	136,507
Total	315,062	436,283	547,378

DMP processing deals with the setting up of DMPs and any calls relating to payments and disbursements. Due to a process change in CCCS' operations, this has been recorded separately since 2006.

Customer service calls can be broken down into two categories:

Table 4.7.5 – Number of client service calls taken

	2005	2006	2007
Q1	57,021	67,194	107,034
Q2	58,523	77,327	94,547
Q3	59,190	87,145	102,233
Q4	52,703	87,929	100,146
Total	227,437	319,595	403,960

Table 4.7.6 – Number of creditor service calls taken

	2005	2006	2007
Q1	21,982	25,775	36,530
Q2	20,809	29,297	34,270
Q3	23,883	30,545	36,257
Q4	20,951	31,071	36,361
Total	87,625	116,688	143,418

4.8 TABLES RELATING TO GRAPHS FROM SECTION 3.5

Table 4.8.1 – First recommendations for CCCS Debt Remedy users

	2007
DMP	31.9%
Income maximisation	24.8%
Client can handle	16.5%
Backruptcy/Sequestration	11.4%
Other	9.0%
IVA	6.5%

Table 4.8.2 –Type of web support calls

	2007
General query	37.9%
Arrears on priority debt	30.6%
Other	12.7%
Guidelines	11.2%
Need help now	4.9%
Income	1.0%
Internal redirection	1.0%
Referred for appointment	0.8%

Table 4.8.3 – Annual income for CCCS Debt Remedy users and CCCS clients (2007)

	CCCS Debt Remedy	CCCS
Under £10,000	16.2%	31.3%
£10,000-£19,999	45.7%	45.4%
£20,000-£29,999	25.0%	17.0%
£30,000-£39,999	9.5%	4.6%
£40,000-£49,999	2.5%	1.1%
£50,000-£59,999	0.7%	0.3%
£60,000 and over	0.3%	0.2%

Table 4.8.4 – Debt Type for CCCS Debt Remedy users and CCCS clients (2007)

	CCCS Debt Remedy	CCCS
Credit card	45.9%	46.5%
Personal loan	42.0%	43.2%
Overdraft	4.4%	5.1%
Catalogue	1.2%	1.4%
Store card	1.0%	1.8%
Other	5.4%	2.0%

Table 4.8.5 – Debt type by income for CCCS Debt Remedy users (2007)

	Credit card	Personal loan	Overdraft	Catalogue	Store card	Other
Under £10,000	42.1%	17.6%	12.6%	10.7%	5.4%	11.6%
£10,000-£19,999	45.1%	21.9%	12.5%	7.3%	5.2%	8.1%
£20,000-£29,999	48.9%	21.7%	11.7%	6.2%	4.9%	6.6%
£30,000-£39,999	53.0%	20.7%	11.4%	5.0%	5.0%	4.9%
£40,000-£49,999	56.7%	20.9%	10.3%	3.7%	4.7%	3.7%
£50,000-£59,999	57.0%	23.0%	10.6%	2.1%	4.0%	3.3%
£60,000 and over	60.0%	22.0%	8.3%	3.0%	4.4%	2.4%

4.9 TABLES RELATING TO GRAPHS FROM SECTION 3.6

Table 4.9.1 – Proportion of referrals by category

	2005	2006	2007
Creditor	45.1%	43.5%	50.0%
Family and friends	20.1%	23.5%	27.9%
Internet	7.4%	8.2%	7.3%
Media and press	2.8%	4.2%	2.6%
Yellow pages	8.3%	5.4%	6.2%
Partnerships	14.4%	13.6%	3.5%
Local leaflet distribution	1.2%	1.0%	1.0%
Employers	0.7%	0.6%	1.5%

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