

Surging forward meeting demand

a review of 2009

Foundation for Credit Counselling
Britain's leading charity for people with debt problems

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Chairman's introduction

The credit crunch may have overwhelmed the commentariat but the impact on the people we service has been more nuanced. The galloping appetite for credit ran out of puff towards the end of 2005, long before the financiers' magic blew up in their faces and inflicted its collateral damage.

Over the last two years we have seen the appetite for debt advice sharpened, as much owing to accelerating demand as real need. Unemployment will ensure the increase continues for a while yet but the acute period is ending; to be followed by the chronic and manageable problem of debt as we know it.

Debt is inevitable, beneficial even, in a society with the right orientation towards risk. We exist as a charity to help these inevitable victims, to support

them and to help them back on to their feet. The credit crunch found us ready to meet accelerating demand and we now have the capacity to meet all the country's demand for advice.

Our spare capacity, however, is online and we need a perfect service which matches what consumers want: help face-to-face or by telephone as alternatives to online. Government focus on face-to-face help has been backward looking and unhelpful. Citizens Advice needed support for centralisation and that has been notably lacking. In a small way we are now re-entering face-to-face with teachers' notes to accompany our online service.

As well as developing our online service, we have geared up to meet demand by using what we have learned online to make our telephone counselling

more efficient as well as responsive to customers. We have widened our service as well as deepened it. Small specialist teams of advisers, able to provide clients with in-depth advice across the ever-growing range of debt solutions including bankruptcy, Debt Relief Orders and Individual Voluntary Arrangements, have served to both augment our core counselling and increase our ability to react to needs.

With flexibility, we could support Government initiatives to limit the impact of the recession on consumers. Home owning voters in particular have loomed large in the mind of ministers, resulting in initiatives such as the Mortgage Rescue Scheme and the Homeowners Mortgage Support Scheme. There are suggestions that the small numbers of individuals directly helped by these schemes renders them a failure. Such criticisms miss the point: rather the Government has encouraged lenders to be more creative about how they deal with customers in default; the downward trend in the number of properties repossessed by year-end compared with forecasts bears this out (although forecasts from the Council of Mortgage Lenders always deserve a wry smile).

It would be foolish, however, to ignore the impact that the relatively depressed state of the housing market is likely to have on current creditor thinking. I hope that when the market changes, creditors will continue to take the longer term view and listen to what advisers tell them about the best way of dealing with customers in difficulties.

We are developing the range of options available to our clients. Debt Relief Orders, although conceived outside the current recession, are proving their worth as a way out of the debt impasse for those on relatively low incomes with no assets.

Nor are our concerns limited to providing practical solutions; it remains a personal ambition of mine to get to grips with the difficult issue of debt and mental well-being. We have been working for over a year with Dr. Rachel Jenkins at the World Health Organisation and the Australian National University. Our new service will start soon.

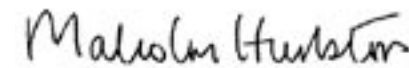
In a new departure for us as it will need new funding streams, we are developing a web-based source of financial guidance, not only for our own clients once they have become debt-free but for others seeking unbiased information about such bread-and-butter money decisions as what to save, how to budget and where to borrow. The online tool for delivering this is based on the same technology underpinning CCCS Debt Remedy and we made a start with the launch of Money Matters on our website in 2009. Our plan is to develop this as part of our commitment to enabling those clients and consumers with the desire to do so, to take control of their financial lives. We are grateful to RBS for its support in the initial development of this tool.

Developing at pace a successful and charitable organisation is challenging. Recognising this, we have strengthened our board of trustees which has doubled

in size over the last 12 months with the addition of four excellent people, details of whom are included in the back pages of this review. We could run a bank, never mind a charity. We have strengthened our executive team with a director of external affairs.

Having seen off the dramas of the last 12 months, we started 2010 in good shape. It will come as a surprise to many that CCCS entered the second half of 2009 with capacity – a capacity which has been hard won, deriving from the introduction of a new system across our phone based helplines and counselling. The development of the system had been carefully planned over a period of 18 months but its implementation towards the latter end of 2008 co-incided with the explosion in demand for our service to record levels.

This juxtaposition inevitably increased the strain on a staff getting to grips with the most radical change in how we conduct our core business since we were founded 16 years ago. Under the inspirational leadership of chief executive, Gordon Bell and his management team, they rose to the occasion and for our core customers, creditors as well as clients, we offer a constantly improving service.



Malcolm Hurlston, Chairman,
Foundation for Credit Counselling

Gearing up to help

With calls to its helplines reaching record levels in 2009, CCCS developed new strategies to meet the rise in demand. Given the speed of events and the gravity of the recession, the charity expanded to meet a 60 percent increase in demand for counselling in the first six months of the year by using technology to provide a significant increase in capacity.

The virtually limitless capacity of CCCS Debt Remedy, the charity's web-based counselling service, has been invaluable in increasing our reach within existing resources – 39 percent of counselling is now conducted online – but it has benefited the charity in another significant way. The decision logic underpinning Debt Remedy has proved sufficiently robust to be introduced into the charity's telephone services.

Debt Remedy was originally derived from the



INFO POINT

Nearly two thirds more people sought online counselling last year as in 2008

knowledge of counsellors fused with a warehouse containing over ten years of CCCS data, developed into a decision-based application for the internet. This expert system was applied to telephone helplines and counselling with the threefold aim of helping more people, improving the consistency of advice and reducing waiting-times for the most urgent clients.

In the new process, helpline advisers capture information about clients' financial circumstances before arranging their counselling session, allowing counsellors to focus on advice and deal with debt



In recognition of its use of technology to help people in debt, CCCS won the Research Advice and Support category at the Charity Awards 2009. The work was described by the judges as "impressive – an exemplar of change". Collecting the award on behalf of the charity are (centre) chief executive Gordon Bell and head of counselling, Vikki Brownridge.

problems. As a result counsellors are able to help more clients than previously, up to as many as eight per day, depending on the complexity of individual cases, compared with four in the previous process.

Operationally the new system involves the capture of all clients' financial information from the helpline call. A key advantage of the new system for those needing help is that once the helpline adviser is satisfied that the financial circumstances have been fully captured, clients can be offered immediate counselling. In cases where the need is not so great or where more information is required, an appointment will be booked for a day or two later.



INFO POINT

Over 250 staff were trained in the new counselling system and process between November and April

This new counselling system was piloted for two months in the Halifax centre before being rolled out, with the final centre in Eastbourne joining in April 2009. As well as the huge amount of work which went into designing, building and testing the system, every helpline adviser and counsellor was trained how to use it. All parts of the charity were involved in this fundamental change and the new process leaves CCCS

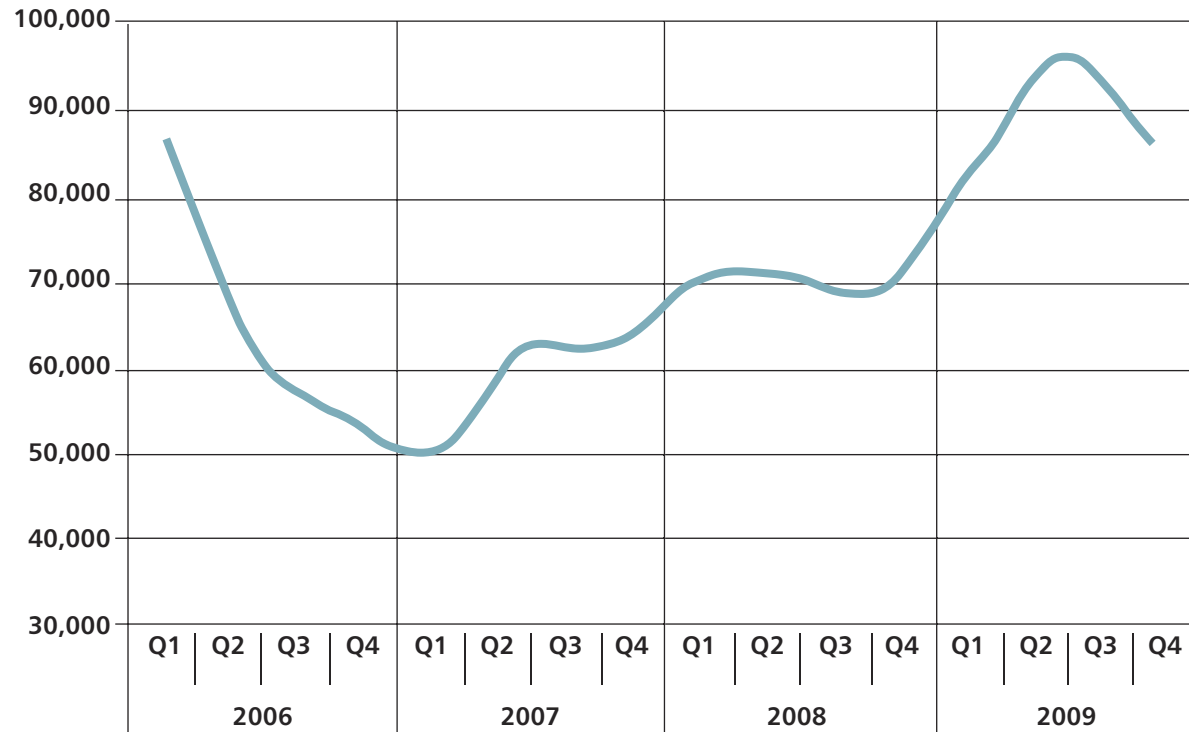
in better shape to deal with the deluge of demand currently swamping many in debt advice.



INFO POINT

In January 2010, 25 percent of callers were offered an immediate transfer to a counsellor

Calls to CCCS helplines



Meeting the need



Mortgage counsellor, Louise Hannam, meets the Prime Minister at a reception held at Number 10 for frontline advisers.

The enormous shifts in the UK economy over the past 18 months and beyond were bound to affect both clients and creditors. Politically also, debt assumed a higher profile as the Government sought to limit the impact of the economic downturn on individuals and families and all parties polished their nostrils.

Economic circumstances mean that clients' problems are both more complicated and harder to resolve. The reduction in clients' incomes seriously limits the options for dealing with debt and more clients are appearing with arrears on priorities such as mortgage and utilities. Increasingly, counsellors can only advise clients to "try and increase their incomes" with such suggestions as completing a benefits check, renting a spare room, exploring ways of increasing hours or getting a second job.

Shortage of money to pay the fees needed to complete bankruptcy has always been a problem for many clients for whom insolvency is their only option. The introduction of Debt Relief Orders (DROs) by the Insolvency Service in April 2009 was designed to provide a simpler and cheaper form of insolvency for clients with virtually no assets and relatively low levels of debt.



INFO POINT

Weekly uplift for welfare benefits for clients was £100

CCCS is one of the competent authorities approved by the Insolvency Service to provide DROs. The 10 specially trained counsellors acting as intermediaries



Launching Housing Debt Helpline Wales with help from local children are (left to right) Richard McQuillan, Hafod Housing Association, Jocelyn Davis, housing minister, Dr Brian Gibbons, minister for Social Justice and Malcolm Hurlston CCCS chairman.

are based in our Birmingham centre alongside the bankruptcy team.

After nine months of operation with over 1,000 applications successfully completed, it is apparent that DROs offer an effective form of respite for the less well-off with debt problems. We are working with the Insolvency Service to improve the system.

At the start of the year, a number of banks started referring clients in mortgage arrears directly for help

with mortgage counselling. Many of these clients were found to have high levels of debt relative to the value of the property, many had secondary loans and almost all had unsecured debt as well. As a result, over 18 percent of the clients seen by mortgage counsellors were unable to keep their homes.

As the year progressed, however, lenders adopted a more flexible attitude to customers in arrears. This was mainly a result of the forbearance urged by various Government initiatives combined with the commercial realities of a falling market.

CCCSVA

Consumer Credit Counselling Service Voluntary Arrangements (CCCSVA) was established by the charity to provide IVAs for those clients for whom an IVA is the best option. It has set standards of transparency and probity for the insolvency industry.

During the last 12 months, IVAs were recommended to seven percent of clients as the best solution to their debt problems.

Only nine proposals put to lenders by CCCSVA in the course of the year were turned down and over 98 percent of our IVAs applied for were approved. The 519 clients who agreed an IVA with CCCSVA represent just over one percent of the 47,641 agreed in 2009.

The average cost to lenders of an IVA arranged by CCCSVA was £5,064. Uniquely in the industry, CCCSVA makes monthly payments to lenders.

Specialist counselling sessions carried out in 2009:

Self-employed	11,703
Mortgage and repossessions	5,375
Debt Relief Orders (nine months)	5,436
Bankruptcy	1,491
Welfare benefits	1,472

With IVAs reaching record levels in 2009, CCCS is concerned to bring greater transparency to the marketplace not only by being open about its charges but by publishing details of failure rates. Although changes in client circumstances mean that a certain percentage of IVAs will always fall by the wayside, if the failure rate is as high as one in five as some sources suggest, this is an indication of inappropriate advice.



INFO POINT

Average debt: £58,847

Average debt forgiveness: £36,756 (62 percent)

Average monthly repayment: £372

(This info point refers to CCCSVA clients)

Partners in debt

Consumers are using the internet more and more to find answers to their problems. Online advice is always available, it is confidential and it is inexpensive to deliver.

As the economy worsened and debt problems spread across a wider cross-section of society, CCCS sought new partnerships as a way of reaching more people at their critical time. A small team was established in Leeds to develop links with third sector organisations whose members and supporters were likely to be affected by the recession and offer a bespoke and recognisable gateway to CCCS Debt Remedy for their website.

The first partnership was launched with the National Council for Voluntary Organisations, the umbrella organisation whose members account for almost half of the UK's voluntary sector workforce.

Through NCVO, Debt Remedy can reach a high proportion of the estimated 50,000 workers in the voluntary sector currently struggling to repay debts.

Similar partnerships are being developed with unions, including the Union of Shop, Distributive & Allied Workers whose members have suffered particularly from the collapse in retailing; with local authorities including housing associations and councils faced with increasing rent and council tax arrears; and with armed forces as well as other charities.

Through building up partnerships with other empathetic organisations, CCCS aims to point more people in need of help toward the safe haven of its free, efficient and compassionate service.



“By 2020 65 percent of people will want online advice, rather than face-to-face or phonline counselling”

Otto Thoresen, review of generic financial advice for the Treasury 2008



NCVO chairman
Sir Graham Melmoth

“This partnership with CCCS offers our members the opportunity to support their employees struggling with debt and take the first step to help themselves.”

Responsible lenders

Lenders' recognition of the need to help customers avoid difficulties has created new opportunities for collaboration, including the launch of the Moneysense initiative by Royal Bank of Scotland and NatWest. Supported by national advertising, Moneysense offers impartial advice on debt problems in over 1,000 of the bank's high street outlets.

CCCS trained 1,000 bank staff nominated to become Moneysense advisers. The advice is generic and does not constitute debt counselling or full financial advice. The scheme has attracted some criticism but nevertheless, it is a valuable development in the relationship between consumers and lenders.

In a similar vein, an increasing number of lenders are including direct links to Debt Remedy on their websites, while others are referring customers in arrears direct to mortgage counselling.

Money Matters

Money Matters is the first stage in a new online service being developed by CCCS, using similar decision logic to Debt Remedy but providing generic financial advice instead of debt advice. It was designed in response to the Thoresen review of generic financial advice commissioned by the Treasury. Thoresen found that there was a lack of impartial information available to people to help them make confident decisions about their finances.

People using Money Matters answer a series of questions on the make-up of their household, their income and expenditure and any financial products they have. Using these answers, Money Matters produces an advice booklet tailored to their circumstances which outlines steps they can take to manage their financial position, provides general information on different financial products including



Ken Clarke visiting the Welfare Benefits Centre in Nottingham during his time as shadow business secretary with counsellor Mary Pickering.

their pros and cons and signposts where to find appropriate specialist advice.

The financial advice offered by Money Matters will initially give wider guidance supplements to Debt Remedy clients, but is not aimed specifically at people in debt and provides basic information and advice right across the financial spectrum.

As the service is used and developed, the decision logic will be refined to provide more personally tailored solutions for its users. Money Matters was developed with support from RBS which is using it to develop Moneysense. The collaboration was noted by Otto Thoresen in his report to HM Treasury.

Reaching out

CCCS included Outreach in 2007 as a voluntary staff activity to help disadvantaged people learn basic money skills. Its activities are all off-site and on a moderate scale, helping numbers of particularly vulnerable people, many one to one. Participation is open to all staff, not just counsellors, as it is not only debt advice which is being offered.

There are Outreach members in all CCCS centres, with the largest team in Leeds. Outreach works through: running workshops and advice sessions at drop-in centres, manning stands at council events and supporting initiatives and projects run by other voluntary and third sector organisations, as well as local government. Sometimes the work is outside office hours but generally the aim is to provide a service during the school day as this has been found

to be most effective. Take-up is often slow, many of the projects are under-resourced and take time and effort to establish, but Outreach members are enthusiastic about what they are achieving, with some justification as these examples show.

Together Women

Supported by a group of voluntary sector organisations, Together Women provides a safe and confidential environment where women can learn skills and receive support to enable them to take more control of their lives. The issues covered include caring for children and families, emotional issues, mental and physical health, substance misuse, accommodation, self-esteem, finance, education and employment.

Two members of Outreach run a drop-in service on managing money and dealing with debt in Leeds and



Together Women outreach team. Left to right: Rebecca Freer, Sarah Williams, Lucy Patterson and Jim Warren



Stuart Lock

“Social landlords don’t really want to evict tenants, not only does it cost them money – about £4,000 for each eviction – but it looks bad in their returns to the Welsh Assembly. So if I can get to tenants at an early stage in the process, I can usually help them to avoid repossession.”

Bradford every four weeks. The sessions can be one to one but more often the volunteers sit within a group, answering questions. Turnout is seldom higher than five or six but these are people who are best reached face-to-face.

Batley Foyer

Batley Foyer provides accommodation for needy young people for two years with the aim of equipping them for independent living. CCCS Outreach was asked to provide a budget advice workshop for tenants. The training programme increases participants’ chances of being re-housed by the local council at the end of their tenancy.

The course was a great success and CCCS was asked to run similar workshops for Stonham Housing which works mainly with ex-offenders. Two courses have now been completed with the age of participants ranging between 19 and 55.

Another partnership is with Leeds-based charity Multiple Choice, a drug rehabilitation centre, which offers help through traineeships and volunteering to increase the employability of former users.

DRAMA

Similar work with local support groups is carried out by Outreach members in other centres, but Stuart Lock, a counsellor based in Cardiff, occupies a somewhat different position. Through his work with DRAMA he is the only CCCS employee who works full-time on Outreach.

DRAMA, which helps the overindebted in some of the most economically depressed communities in Wales, is funded by the Coalfields Regeneration Trust together with the Oak Foundation and administered by the Wales Co-operative Centre. It works by helping people to break free of the cycle of debt by offering loans from local credit unions but, before qualifying for such loans, applicants have to complete a debt counselling and budgeting session with Stuart.

More recently, Stuart has been working with a number of housing associations as well as Caerphilly Council to help people falling behind on their rents avoid eviction. As soon as tenants start defaulting, they are booked into a session with Stuart and if, with his help, they can devise a realistic budget which includes some allowance for repaying arrears, the



Launch of our Statistical Yearbook in the Strangers Dining Room, House of Commons, courtesy of the Rt Hon Alun Michael MP who chairs our Welsh advisory board.

landlords will not repossess.

Stuart is one of the few CCCS counsellors who are out and about: last year he covered more than 8,000 miles and provided in-depth advice sessions to 302 people. As a result of this work, CCCS was asked to run a Housing Debt Helpline for Wales, funded by the Welsh Assembly Government. CCCS contributed a proportion of the money available to the Wales Co-operative Centre to market the Housing Debt Helpline which opened for business in June 2009. DRAMA has now transferred to Credit Action Cymru as part of our sister charity Credit Action with a view to accelerated development in Wales.

Reaching further

Credit counselling was not invented in the UK; (that distinction belongs to the United States) but the application of technology under chief executive Gordon Bell has enabled CCCS to lead the world in building credit counselling into an effective and practical way of helping people with debt problems.

As a result there is considerable interest from overseas in the systems which CCCS has developed.

In one or two countries such as Malaysia and Singapore, credit counselling is already well established and adjusted to local conditions; in Singapore, the Government funds the service while in Malaysia the model is nearer to the UK, with creditor support making it viable.

Over the last 12 months, visitors from many countries, including Australia and South Africa,

have beaten a path to CCCS's door. The Australians were sufficiently impressed by what they saw for their Securities and Investment Commission to invite Gordon Bell to address a series of meetings in summer 2009 attended by representatives of Government, banks and money advisers. Also in the summer, the chairman Malcolm Hurlston was invited by the National Credit Regulator to assess how CCCS can help accelerate the provision of debt advice in South Africa.

Sometimes the impetus comes from individuals, as is the case in Norway, where a small group of passionate and determined people is convincing a reluctant Government to allow them to develop a national telephone advice service for people in severe financial difficulties. At the moment the all too common recourse for such people in Norway is



INFO POINT

In Malaysia in 2009, 110,452 people received counselling and 37,344 DMPs were set up.

suicide. Over the next 12 months, CCCS will be providing help with telephony, systems and training, mirroring the CCCS experience of 17 years ago when credit counselling centres in America were so supportive of our efforts to get credit counselling off the ground in the UK.

We are going back – it is a measure of just how far we have come in those 17 years that we have been working with CCCS of the Midwest, positioned in Columbus, Ohio to develop the USA's first online counselling service. Webvisor, as it is known in the States, is derived directly from CCCS Debt Remedy,

with new work to develop the decision logic, given the different laws which exist both federally and by State in the US. Webvisor was launched in November 2009 and, unlike the more conventional, largely face-to-face credit counselling facilities currently offered in the States, Webvisor will be available nationally through Apprisen, the new name for CCCS of the Midwest.

Debt is the flipside of credit: it should, therefore, come as no surprise that the global credit market requires a global safety net such as consumer credit counselling which is sufficiently flexible to meet the needs of individual countries victims.

“CCCS provided a valuable example for establishing a debt counselling network in South Africa.”

Gabriel Davel, chief executive, South African National Credit Regulator.



While the charity's priority is to service the local needs, CCCS aims to offer help and support internationally whenever this is sought by non-profit or governmental organisations. A key part of this nurture is the bi-annual international conference on credit and counselling held in September at Magdalene College, Cambridge. This conference offers an intellectual

underpinning to our approaches for people to share information on developments and difficulties in their respective countries. The conference held in 2008, our fourth, was attended by 32 guests from eight countries and supported by Provident Financial.

Good governance

CCCS aims to treat staff, clients and creditors fairly, efficiently and responsibly in line with the recommendations of the Charity Commission of England and Wales and its equivalent in Scotland, the Office of the Scottish Charity Regulator. It is the role of the Trustees to ensure that the charity complies with these standards by developing and maintaining a robust framework against which the actions of the charity can be judged and aligned.

This framework begins at the very top of the charity with separation of the roles of Chairman and Chief Executive and its integrity sustained by a strong team of trustees, all of whom are subject to regular re-appointment in general meeting.

The trustees

Malcolm Hurlston is the chairman and founding trustee. He chairs Registry Trust (the non-profit

organisation which initially co-funded FCC and now runs the Registry of Judgments, Orders and Fines), CCCS Scotland, Credit Action, Financial Inclusion Centre and the consulting firm, Hurlstons. He founded the European Centre for Employee Ownership and is a member of the Treasury's Retail Services Finance Forum.

Jeremy Burton is a trustee for many important charities in the Leeds area and is strongly connected with the local community. He is Honorary French Consul in Leeds and a deputy Lieutenant of West Yorkshire. He is currently the High Sheriff of West Yorkshire. He is a founding trustee of FCC and a trustee of Credit Action.

David Coates is a financial services specialist whose speciality is helping businesses develop. He joined

Experian as managing director of the Business Information and Consumer Information divisions. In 2000 he was appointed managing director and founding director of Callcredit in Leeds. In 2004 he joined the private equity backed company Davenham as chief executive and took the group public in 2005.

Mike Fairey retired in 2008 as deputy chief executive of Lloyds TSB. He originally joined Barclays Bank in 1967 and held a number of senior and general management appointments, including managing director of Barclays Direct Lending Services from 1990 to 1991. Mike joined TSB Group in 1991 and held a number of senior and director positions as the banks merged and Lloyds TSB Group grew substantially, culminating in his position as deputy group chief executive in 1998.

Chris Leslie, formerly a minister at the Department of Constitutional Affairs, is now head of the think tank New Local Government Network. MP for Shipley between 1997 and 2005, Chris has strong roots in the Leeds area where the Foundation originated. He is a trustee of Credit Action.

Sir Geoff Mulcahy has a long and distinguished career in retailing. He was appointed Group managing director of Kingfisher in 1984 and retired as chief executive in 2002 after building it into the largest non-food retailer in the UK. He is currently chairman of Javelin Group, a retail consultancy, and a non executive director of Instore plc and The Home World. Sir Geoff was knighted in 1993 and is immediate past chairman of British Retail Consortium.

Daniel Phelan is editor-in-chief of Civil Society Media which publishes the magazines Charity Finance, Professional Fundraising and Governance. He founded the Charity Awards, an annual UK wide programme recognising excellence in charity management

Suzanna Taverne has broad experience at board level of strategic development and organisational change, working across public and private sectors in senior management, strategy and financial roles. Suzanna is currently a non-executive director of the Nationwide Building Society, a non-executive director of Ford Financial Europe, chair of Gingerbread and a trustee of the Design Museum.

The staff

GORDON BELL	CHIEF EXECUTIVE
FIONA MEGAW	CHIEF OPERATING OFFICER
STEVE NICHOLSON	CHIEF FINANCIAL OFFICER
DELROY CORINALDI	DIRECTOR OF EXTERNAL AFFAIRS
VIKKI BROWNRIDGE	HEAD OF COUNSELLING
LAURA CARVER	HELPLINE AND SUPPORT MANAGER
LESLEY CHEESEMAN	HEAD OF TRAINING AND DEVELOPMENT
IAN CRACKNELL	SUPPLIER AND FACILITIES MANAGER
SCOTT GRAHAM	SERVICE SUPPORT MANAGER
HEIDI HUTCHINS	HEAD OF HUMAN RESOURCES
JOANNE PROSSER	HEAD OF DEVELOPMENT
PAULA SEARLE	HEAD OF E-SERVICES
FRANCES WALKER	HEAD OF MEDIA AND PUBLIC AFFAIRS

Counselling Centre Managers

SANDRA AMPHLETT-PAULS	LEEDS
TIM BLESSED	EAST MIDLANDS (NOTTINGHAM)
JENNIFER BRUMBY	NORTH EAST (NEWCASTLE)
PAULA HOGARTH	WEST MIDLANDS (BIRMINGHAM)
MAGGIE KIRKPATRICK	SOUTH EAST (EASTBOURNE)
HELEN MARSLAND	NORTH WEST (CHESTER)
DEBBIE MILLS	NORTHERN IRELAND (LIMAVADY)
ELIZABETH MCVEY	SCOTLAND (GLASGOW)
MARK ROBINSON	WALES (CARDIFF)
KEITH SPEDDING	WEB SUPPORT (NEWCASTLE)

CCCS VA

A wholly owned subsidiary of the Foundation for Credit Counselling.

STEVE NICHOLSON	CHIEF EXECUTIVE
JACKIE WESTERMAN	INSOLVENCY PRACTITIONER

Patrons and friends

LORD THOMAS OF MACCLESFIELD	PATRON CCCS
LORD FOULKES OF CUMNOR	PATRON CCCS SCOTLAND
RT HON ALUN MICHAEL MP	CHAIRMAN WELSH ADVISORY

RHYS DAVID	MEMBER WELSH ADVISORY
JOHN GRAY	MEMBER WELSH ADVISORY
GARY HICKS	MEMBER WELSH ADVISORY

TERRY BLANEY	PRESIDENT MONEY MANAGEMENT INTERNATIONAL
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MIKE KAPPAS	PRESIDENT AND CEO APPRISEN FINANCIAL ADVOCATES
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DR RACHEL JENKINS	WORLD HEALTH ORGANISATION
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Financial stability

CCCS 2009 financials

The information in this financial summary has been extracted from the unaudited accounts and management accounts for the year ended December 31 2009. The full accounts and auditor's report for 2009 will be available from April 2010. These can be obtained from the Consumer Credit Counselling Service, Wade House, Merrion Centre, Leeds LS2 8NG.

Operating income

Just under 90 percent of our operating income of £27 million comes from the fair share contribution paid by creditors. Fair share is generated by creditors returning as a donation the equivalent of a percentage of the monies repaid to them through debt management plans. In 2009 just under 25 percent of those who sought our help had the means to

enter a debt management plan; the others received counselling about solutions suited to their needs. Over the last few years, CCCS has made a conscious decision to expand the range of options available to its clients, both by developing its range of specialist counselling services and by increasing the solutions directly available, including Individual Voluntary Arrangements, Debt Relief Orders and Equity Release.

Mindful of our status as a charity, we are investors in Charity Bank and further the cause of financial education by investing in the work of Credit Action, an independent charity, whose accounts are now included with those of CCCS.

Operating expenditure

Staff are most important and accounted for 88 percent of total expenditure in 2009. In the same year we spent £21.2 million on counselling and client

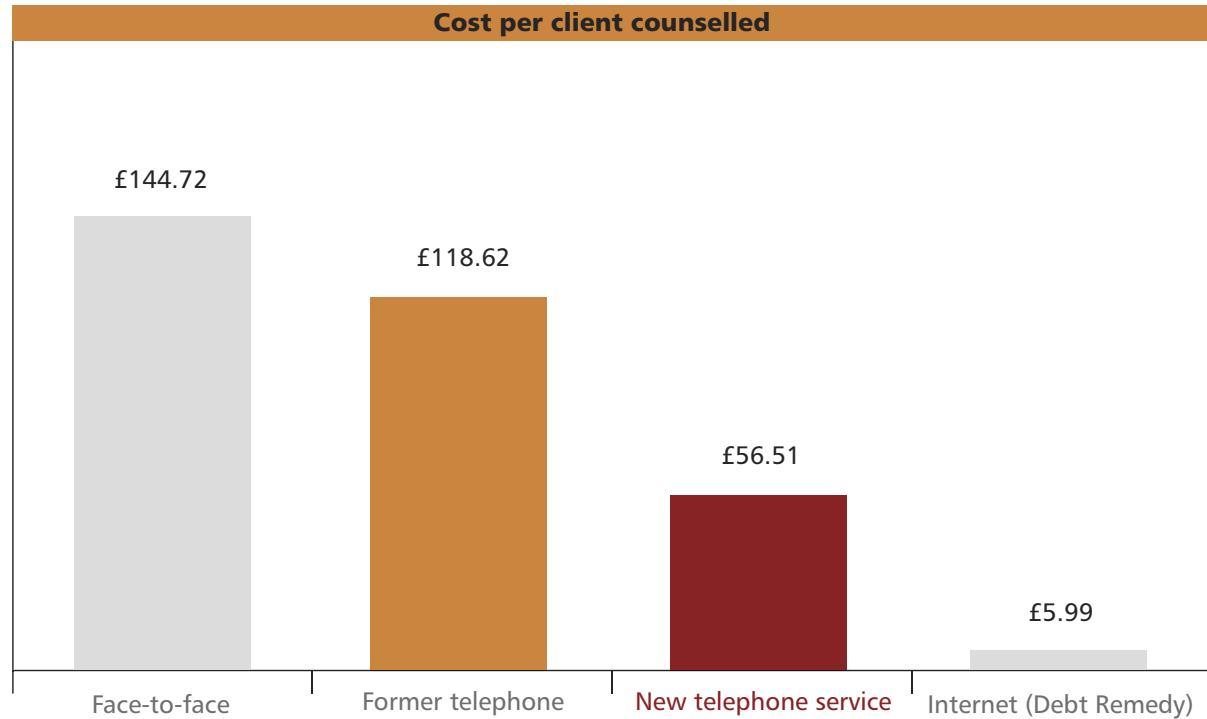
services, compared with £19.04 million in 2008. Given that our helplines dealt with 25 percent more calls while the number of people using CCCS Debt Remedy increased by almost two thirds, we believe we continue to offer help which is both efficient and cost-effective to those who need it, in line with our stated aims and objectives as a charity.

CCCS 2009 financials

Income	£'000
Income from fair share contribution	24,657
Grants and donations	271
Insolvency service	1,340
Transfer from restricted funds	0
Other income	890
Investment income	289
Total	27,447

Expenditure	£'000
Counselling	17,242
Client support services	3,959
Insolvency costs	1,552
Promotion of services	772
Financial education	387
Grants, governance and other	283
Total	24,164

Net surplus	3,283
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By applying the decision logic used in Debt Remedy to the process of our telephone counselling we have succeeded in more than halving the cost and doubling our ability to help. This has substantial implications for the delivery of money guidance and advice in the post-crunch era.

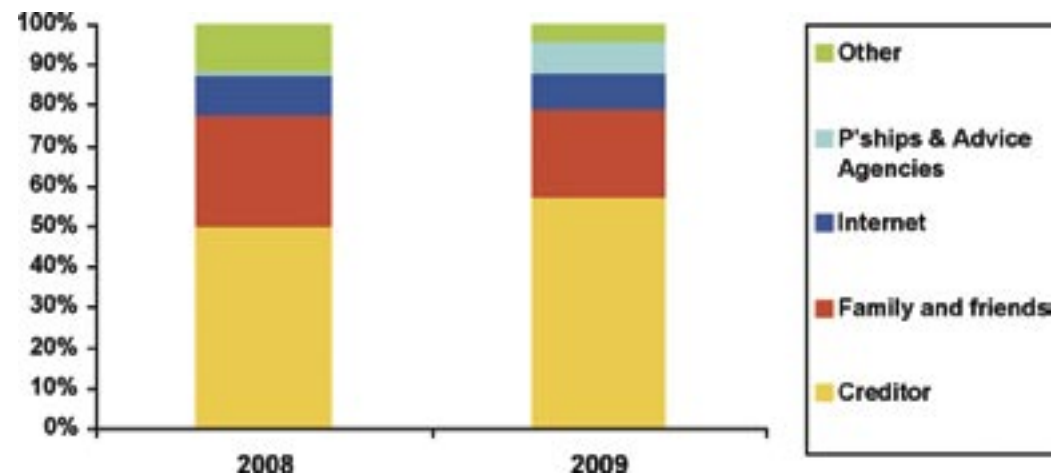
2009 at a glance

Introduction

The information in these two pages highlights our clients, how they heard about our service and the solutions we were able to offer them.

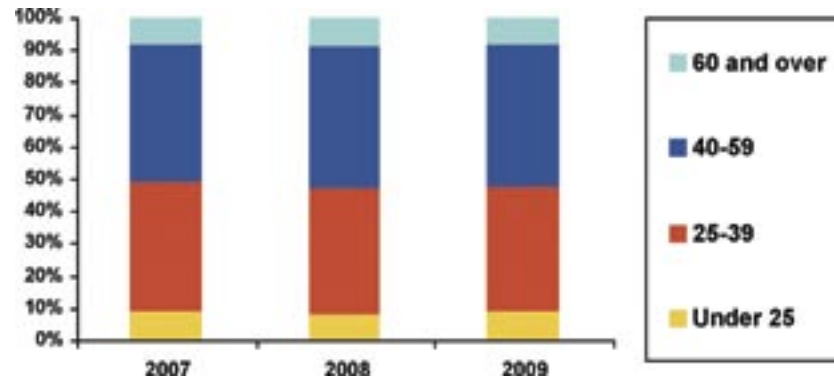
The numbers are derived from our data warehouse which contains the details of more than 11 million phone calls, one million clients and cumulative debts of over £36.2 billion. A more in-depth analysis of this data is freely available in our Statistical Yearbook, published in the first quarter of every year, and available on our website at www.cccs.co.uk.

How people learn about our service



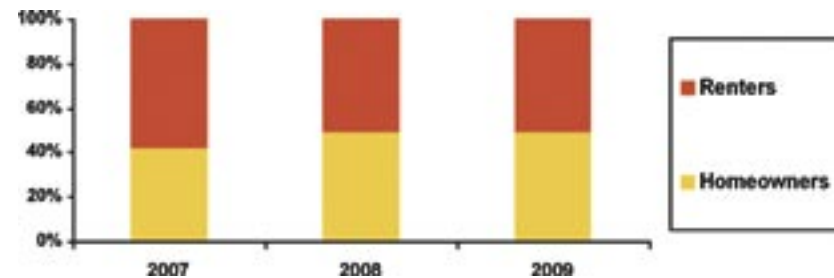
Most people learn about CCCS through their lenders, 57 percent in 2009. "Family and friends" is the second most important source of information, accounting for about a fifth of clients. Partnerships with other organisations accounted for almost eight percent and the internet for about 10 percent.

Age of our clients



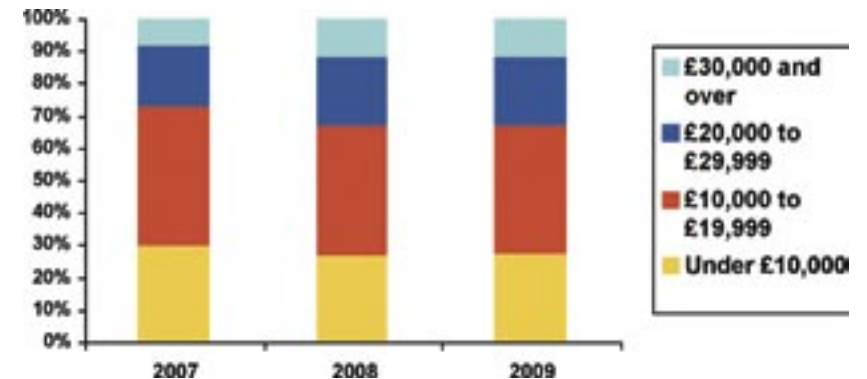
The age of our clients tends to vary slightly from year to year. In 2009 there was a slight increase in the proportion of younger clients counselled (8.1 percent to 9.0 percent), probably reflecting the rise in unemployment among 18 to 24 year olds during the recession.

Owners or renters



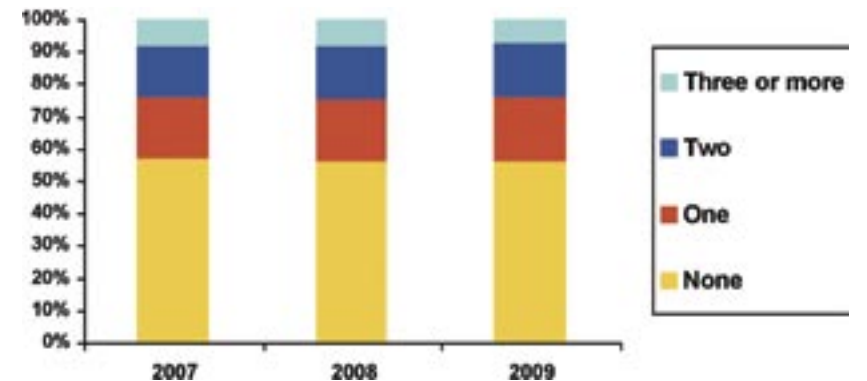
The number of clients who own their own homes versus those who rent is roughly half and half. In 2009 we saw a halt in the marked trend for an increasing number of homeowners to be seeking help, probably a result of historically low interest rates combined with various Government initiatives designed to keep people in their homes.

Client incomes



Just over a quarter of clients earn under £10,000 a year while approximately 40 percent of CCCS clients earn between £10,000 and £19,999 a year.

Numbers of children



Perhaps surprisingly, only 44 percent of CCCS clients have dependant children. Overall, the profile of clients with or without children has changed little during recent years.

Network centres

East Midlands (Nottingham)

Halifax

Leeds

North East (Newcastle)

North West (Chester)

Northern Ireland (Limavady)

Scotland (Glasgow)

South East (Eastbourne)

Wales (Cardiff)

West Midlands (Birmingham)

Chairman's office
020 7391 4580
CCCS helpline
0800 138 1111
www.ccs.co.uk