

Press Release

July 20 2012

Out of love and into debt for 25 Britons each day

Divorce and relationship breakdown is leading 25 people to seek help with unmanageable debt each day, according to new figures from debt charity Consumer Credit Counselling Service (CCCS). A total of 9,099 people counselled by CCCS during 2011 cited divorce or separation as the main cause of their debt problem, with women outnumbering men two-to-one.

Relationship breakdown costs the UK an estimated £44bn a year* and divorce and separation ranks as the fourth largest cause of problem debt among CCCS clients, behind unemployment, reduced income and budgeting problems, with two thirds (66 percent) of those affected being women.

CCCS clients attributing their debt problem to relationship breakdown owed an average of £17,629 in unsecured debt, and had just £25 each month available to meet debt repayments after meeting their basic living expenses – a worse financial position than clients in general, who had an average monthly surplus of £40.

Ruth Sutherland, CEO of Relate, the UK's largest provider of relationship counselling, said: "The emotional and financial cost of break-up has a devastating effect on families and nationally relationship breakdown costs the UK an estimated £44 billion a year so it is important to get help to people before their relationships break down.

"Relate counsellors are witnessing the huge strain that money worries place on people's abilities to be good partners, parents and employees. We must act now so we don't pass this emotional and financial cost onto future generations."

Delroy Corinaldi, CCCS director of external affairs, said: “Separating from your partner is one of those life events that can cause a significant shock to your income. This often comes at the same time as significant additional costs, such as legal bills and the cost of moving home. The combination of these two factors can quickly lead to a serious debt problem.

“It is crucial that lenders act in an understanding and fair way towards borrowers going through this experience, and show as much forbearance as possible as they deal with the financial aftermath of separation.

“Separation is stressful enough without having to worry about dealing with unmanageable debt. Borrowers should take immediate steps to assess which, if any, joint debts they are liable for and talk to their lenders to explain their situation. Debt charities such as CCCS can take much of the stress out of the situation by helping borrowers to navigate these choppy waters, and can deal directly with creditors to help deal with the beginnings of problem debt.”

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* The Relationships Foundation, ‘Cost of Family Breakdown’ Index, 2012

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Notes to editors:

- CCCS’s ethos is to help the “can’t pay”, not the “won’t pay”, and does not condone debt avoidance. CCCS always aims to help its clients pay back what they owe, in a realistic timescale and manner that is suited to each individual’s situation.
- CCCS is self-funding. Lenders share with the charity the benefit they receive from its operation, making a donation from the money repaid to them. This allows CCCS to retain its independence and ensure that its advice is always in the best interest of the client.
- The CCCS free phone helpline 0800 138 1111 is open 8am to 8pm, Monday to Friday. CCCS *Debt Remedy* is available at www.cccs.co.uk
- Relate’s vision is a future in which healthy relationships form the heart of a thriving society.
- Relate’s services extend beyond couple counselling to family counselling, counselling for young people, online counselling, sex therapy and informal workshops.
- Relate works in schools, primary care settings, prisons, and Children’s Centres.

- Relate supports 150,000 people each year in over 600 locations in England, Wales and Northern Ireland.
- Relate has a work-force of 2,000 people nationwide.
- For more information and advice visit: www.relate.org.uk