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Press Release

CCCS VOLUNTARY ARRANGEMENTS (CCCSVA) RELEASES FIGURES FOR FIRST NINE MONTHS OF 2010

Less than two percent of proposals to repay debt via the Voluntary Arrangement company owned by the UK's leading debt charity, Consumer Credit Counselling Service were rejected in the first three-quarters of this year. In 2009 only eight proposals were turned down by creditors.

CCCSVA was established in 2007 with the express intention of bringing new standards of probity and transparency to the industry and thus ensuring that IVAs remain a good way of dealing with debt problems for a certain number of people.

In the first nine months of 2010, IVAs were recommended to 4.9 percent of CCCS clients while only 10 of the 648 proposals put to lenders by CCCSVA were rejected. On average lenders wrote off £36,745 of the £54,932 clients owe.

The average cost to lenders of an IVA arranged by CCCSVA was £4,711 (2009, £5,080).

Malcolm Hurlston, chairman of CCCSVA, said:

"It is not only the acceptance rate that is important in evaluating the worth of IVAs. Even more important are the breakdown rates because with many of the fees front-loaded, debtors can be left worse off if they can no longer continue to make repayments in 12 or 18 months.

“Some breakages are inevitable but too many is an indication that IVAs are being offered inappropriately. This information should be in the public domain which is what we have urged the Insolvency Service to do in its current review of its statistics.”

Quarterly breakdowns

	Meeting of Creditors			
2010	Convened	Approved	Failed	% Approved
Q1	163	163	0	100.0%
Q2	222	220	2	99.1%
Q3	263	255	8	97.0%

	Financials				
2010	Ave contribution	Ave Dividends	Ave Write off	Total ave cost of IVA	
Q1	£ 373.79	£ 38.61	£ 33,494	£ 6,188	
Q2	£ 361.38	£ 31.41	£ 38,776	£ 5,579	
Q3	£ 351.83	£ 30.71	£ 37,070	£ 5,239	

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For further information, please contact:

Media enquiries:

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Notes to editors:

1. The CCCS free phone helpline 0800 138 1111 is open 8am to 8pm, Monday to Friday.
2. CCCS operates *Debt Remedy*, an online counselling service available round the clock at www.cccs.co.uk for those who prefer an anonymous option.
3. IVAs are only recommended by CCCS to clients after an in-depth counselling session, including a review of all the options. CCCSVA covenants any profits it makes to the charity CCCS.