

 <p>CONSUMER CREDIT <i>Counselling Service</i> A Registered Charity</p>		 <p>THE CHARITY AWARDS 2009 10TH ANNIVERSARY WINNER</p>
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Press Release

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Charity warns of need for free debt advice when toll of public sector cuts is felt

Consumer Credit Counselling Service (CCCS) is warning of a surge in personal debt problems among public sector employees following today's (October 20) publication of the Government's Comprehensive Spending Review. CCCS says that the public sector cuts announced in the review will severely limit the ability of those affected in the public and private sectors to maintain their credit commitments.

The debt charity has already seen a rise in the number of its clients on reduced hours and overtime bans and predicts that the public sector cuts will see this grow further.

Delroy Corinaldi, CCCS External Affairs Director warns: "Last year, only a quarter of CCCS clients were in a position to repay their debts, and this trend has continued into 2010.

"High numbers of public sector workers are likely to find themselves in this position – most will be people who had been managing their credit very well but redundancy and overtime bans will mean they are now unable to repay what they owe. The private sector can expect a knock-on effect.

"Anyone who finds themselves in this situation is likely to be feeling confused as to how to deal with their debts.

"There will be a lot of companies offering to manage their debts - but at a fee that will usually be charged before they can start repaying their debts. They should not be lured

to the commercial fee-charging sector who will charge for what is often poor advice, as the recent review of the sector by the Office of Fair Trading found.

“I would urge anyone struggling to repay their debts to seek help from a charity such as CCCS or Citizens Advice who can provide free advice and support. It doesn't make sense, when you are already struggling financially, to pay for a service that is available for free.”

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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 Debt Remedy* is available at www.cccs.co.uk.
3. CCCS is self-funding. Unsecured lenders share with the charity the benefit they receive from its operation, making a donation from the money repaid to them through debt management plans. This allows CCCS to retain its independence and ensure that its advice is always in the best interest of the client. CCCS aims to separate the “can't pay” from the “won't pay”.
4. Office of Fair Trading Debt management guidance compliance review – September 2010: http://www.offt.gov.uk/shared_offt/business_leaflets/credit_licences/OFT1274.pdf

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