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Press Release

CCCS concerned at consumer detriment uncovered by OFT review of debt management companies

Leading debt charity Consumer Credit Counselling Service (CCCS) says it is very concerned at the level of consumer detriment uncovered by the Office of Fair Trading's (OFT) review of debt management companies that is published today (28 September). The review found an "unacceptable" level of non-compliance issues with its Debt Management Guidance among the fee-charging debt management sector including misleading advertising and adviser incompetence.

CCCS says that those struggling with debt need, and are entitled to, fair and high standards of advice when seeking help and that the report reveals this is often not the case within the fee-charging debt management sector.

Delroy Corinaldi, CCCS external affairs director comments: "Being unable to maintain your debt commitments is incredibly stressful and it can be difficult to decide what to do. People who find themselves in this situation often stay with the first port in a storm. That is why is it so important that those who are struggling with debt are offered services that are clear and transparent and advice that is independent and of the highest standards. The review has found that this is often not the case within the fee-charging debt management sector.

"Apart from the important benefit that support provided by debt charities is free to consumers, the level of advice and service they give to those struggling with debt problems is expert, independent and always in the interest of the consumer. This is important to highlight as funding for the charitable sector comes under pressure."

Malcolm Hurlston, CCCS chairman, adds: "This confirms that fee-charging debt management companies are taking people for a ride. Anyone who is struggling with debt should seek free advice and help from CCCS, Citizens Advice or other debt charities."

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Notes for editors:

1. 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. CCCS aims to separate the "can't pays" from the "won't pays".
2. CCCS's ethos is to help the "can't pays", not the "won't pays", 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.
3. You can call the CCCS free-phone helpline on 0800 138 1111, 8am to 8pm, Monday to Friday. CCCS operates CCCS Debt Remedy, an online counselling service available round the clock at www.cccs.co.uk for those who prefer an anonymous option.