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## **Press Release**

### **CCCS warns insolvency rise likely to continue**

The UK's leading debt charity, Consumer Credit Counselling Service (CCCS), warns that the rise in the number of personal insolvencies is likely to continue throughout 2011. The figures released today (February 4 2011) by the Insolvency Service show that there were 135,089 individual insolvencies in England and Wales in 2010, up from 134,142 in 2009.

The charity says that a mixture of pressures on household budgets including the recent VAT increase, rising inflation, wage freezes, overtime bans, redundancy and welfare changes will push many struggling debtors over the edge of financial stability and into insolvency.

Delroy Corinaldi, CCCS External Affairs Director, comments: "The picture is bleak, particularly in view of the pressures on advice services.

"Fee-charging debt management companies must not be allowed to plug the gap left by the reduction in public funding for debt advice. It would compound the situation if overindebted households believed they had no alternative but to pay for debt advice.

"The recent Office of Fair Trading (OFT) report shows that the fee-charging debt management sector is not fit for purpose. It is vital that the OFT steps up its vigilance of the marketing practices of the fee-charging sector to ensure they do not trap people into using their services in the belief that there is no alternative."

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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](http://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. CCCS is a competent authority for the provision of Debt Relief Orders.
5. The charity maintains a Centre for Bankruptcy Counselling which offers a free and specialist service to its clients.
6. CCCS Voluntary Arrangements (CCCSVA) is a company wholly owned by the charity, the Foundation for Credit Counselling. The Insolvency Practitioner is Jackie Westerman and the Chief Executive is Steve Nicholson. CCCSVA has 43 staff.
7. Follow us on Twitter: @CCCSPressOffice