

 <p>CONSUMER CREDIT <i>Counselling Service</i> A Registered Charity</p>		 <p>THE CHARITY AWARDS 2009 10TH ANNIVERSARY WINNER</p>
Tel: 0207 391 4583	Email: unaf@cccs.co.uk	Website: www.cccs.co.uk

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Press Release

Charity figures show thousands of people claiming Jobseeker's Allowance trapped by massive debts

Figures released today by the UK's largest debt charity, the Consumer Credit Counselling Service (CCCS), have revealed that huge numbers of people claiming Jobseeker's Allowance (JSA) owe thousands of pounds in unsecured debt that they have no chance of repaying. The charity's figures show that one in eight (14,446) people who contacted the charity during the first half of 2010 for help with their unsecured debts were claiming JSA.

On average, clients claiming JSA owe £15,412 to five different creditors. If (for the purposes of illustration only, as no-one would actually do this) they were to spend their entire weekly JSA payment on repaying their unsecured debts it would still take them over four and a half years to become debt free, and even then only if the interest on their debts had been frozen.

The proportion of people in debt (CCCS clients) claiming JSA is almost three times higher than in the general population.

One of the reasons for their debt problem is unemployment. Over the first six months of 2010, almost a quarter of people contacting CCCS (22.4 percent) cited unemployment as a reason. This is again completely disproportionate with the level of unemployment across the UK (8.0 percent).

Commenting, CCCS chairman Malcolm Hurlston said:

“There is a causal link between unemployment and debt. Unemployment can devastate the finances of any family and our experience shows that once somebody with few financial options is forced to take out a loan to cover living costs they are often then trapped in debt for years to come.”

“Thousands of people claiming Jobseeker’s Allowance are ensnared by unsecured debt and their needs demand specific study. Government must be mindful of how welfare cuts will affect those living off benefits and move to ensure they are not damning huge numbers of people to a lifetime of debt.

“CCCS are here to for anyone with financial difficulties, our help is completely free and I urge anyone who needs help to contact us.”

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Media enquiries:

All media enquiries should be directed to:

- Frances Walker - francesw@cccs.co.uk
- Una Farrell - unaf@cccs.co.uk
- Tel: 0207 391 4583 (07507 880 478 or 07950 469 101 outside office hours)

Notes for editors:

1. CCCS has a free phone helpline (0800 138 1111), 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. 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
4. *Debt Dashboard* is produced quarterly and based on data from over 100,000 people spread throughout the United Kingdom. It juxtaposes clients’ levels of debt and their ability to repay against broader economic variables
5. ‘CCCS clients’ in this report are people who have received a full, in-depth counselling session from the charity