

Press Release

July 25 2011

Debt problems driving growth in equity release

A leading debt charity has said that many older debtors are releasing equity from their homes to deal with problem debts. In the last year, clients of Consumer Credit Counselling Service's (CCCS) equity release advice service unlocked an average of £29,983 of capital from their homes to help pay down debts and meet other costs.

Homeowners over 55 contacting CCCS for help last year owed an average of £29,772 on credit cards, personal loans and other unsecured debts. The charity says that increasing numbers of its older clients have released equity from their property as a way of clearing what they owe.

CCCS Equity Release manager Tom Moloney says:

“Many clients are rightly cautious when considering equity release, but with the right advice and guidance this is an attractive solution for some - especially for those who wish to resolve their debt problems without moving home.”

In 2010, CCCS launched a subsidiary, CCCS Equity Release, to provide the UK's first free equity release advice service. Advice fees from other equity release providers typically range from £595 to £995 – a cost that the charity says can significantly worsen the financial positions of older people looking to equity release as a way to pay down high levels of debt. The CCCS Equity Release service is provided with no advice fee and is backed up by the charity's comprehensive debt counselling service, ensuring that equity release is only offered to those people for whom it is the best solution.

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Notes to editors:

1. CCCS Equity Release offers free, impartial advice and is wholly owned and run by the UK's leading debt charity, Consumer Credit Counselling Service (CCCS).
2. CCCS Equity Release assess all products and providers before making a recommendation and work with providers to ensure all clients have access to the best plans with competitive interest rates and fair terms and conditions.
3. CCCS's ethos is to help the "can't pay", not the "won't pay", 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. 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.
5. The CCCS Equity Release helpline number is 0845 074 2987 and more information is available at www.cccs.co.uk/equityrelease
6. Follow us on Twitter: @CCCSPressOffice

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