

## **Press Release**

August 22 2011

### **High demand for new form of debt relief in Northern Ireland**

Demand in Northern Ireland for Debt Relief Orders (DROs) was more than double the UK average during the first month of their availability in the region, according to leading debt charity Consumer Credit Counselling Service (CCCS). DROs – a new form of insolvency introduced in Northern Ireland at the end of June – were recommended to 13.9 percent of people contacting CCCS for help in July. This is far higher than the average rate of around six percent in England and Wales.

The charity says the figures show how successful DROs are proving to be at helping people in severe financial difficulties. A DRO is a form of “bankruptcy lite”, aimed at people with low incomes and low assets who may not be able to afford to petition for bankruptcy. To be eligible, a debtor must owe less than £15,000 in unsecured debt, have no more than £300 in assets (excluding one car up to the value of £1000) and have less than £50 of income left over after meeting basic living costs each month.

Debbie Mills, managing counsellor for CCCS Northern Ireland, says:

“The fact that we are seeing more than twice the level of demand for DROs as in other parts of the UK shows how valuable their introduction will be in helping people who are struggling with debt in Northern Ireland.

“With rising prices continuing to push up the cost of living, many people are finding it increasingly difficult to cope at the moment – and our advice to anyone struggling with their debt repayments is to seek free advice as early as possible.”

CCCS Northern Ireland provides free and confidential debt advice via its telephone helpline (0800 027 4990) and anonymous online debt counselling tool, *CCCS Debt Remedy*, at [www.cccs.co.uk](http://www.cccs.co.uk)

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**Notes to editors:**

1. DROs were introduced in Northern Ireland by the Debt Relief Act (2010), and came into effect on 30<sup>th</sup> June 2011.
2. DROs help people in severe financial difficulties who have a low income. They are a cheaper alternative to bankruptcy, as the cost for a debt relief order is £90.
3. Under a DRO, your debts are frozen for a period of twelve months. During this time your creditors agree not to pursue you for the outstanding debt, nor add further interest on the balances. If, after the twelve months, you still cannot pay the debts back at a reasonable amount each month, they are written off.
4. CCCS is one of the few approved organisations authorised to submit a DRO application.
5. 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.
6. 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.
7. The CCCS Northern Ireland free phone helpline number is 0800 027 4990
8. *CCCS Debt Remedy* is available at [www.cccs.co.uk](http://www.cccs.co.uk)
9. Follow us on Twitter: @CCCSPressOffice

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