

Press Release

May 29 2012

High rents forcing thousands into debt, warns charity

Thousands of renters are being forced into debt by high rents and the tightening financial squeeze, according to new figures released by debt charity Consumer Credit Counselling Service (CCCS). More than 10,000 people contacted the charity for help with rent arrears in 2011 – an increase of 27 percent on the previous year.

A total of 10,246 people contacted CCCS for help with rent arrears in 2011, compared to 8,074 in 2010. This represented 12 percent of CCCS clients who are renting, up from one in 10 in 2010. On average, they were £760 behind on their rent and were £82 short of the amount needed to cover living expenses each month.

Private tenants in the worst position

Renters in arrears to private landlords were in the worst position, owing £924 in arrears and having a monthly budget deficit of £145. Renters in arrears to housing associations were an average of £705 behind, while the average for local authority tenants was £622.

Rising rents, squeezed budgets

CCCS figures show that rents are rising at a time of stagnating incomes. The average rent paid by people contacting the charity for help rose by 2.4 percent to £408 per month last year, while the amount of money they had left over after meeting basic living expenses fell by 40 percent, from £58 to just £35.

Delroy Corinaldi, CCCS director of external affairs, said: “A very large number of people are struggling to keep up with their rent payments – and with rents near record highs, the problem is getting worse, not better.

“Household finances are being squeezed as it is – and for many people another rent hike will be the straw that breaks the camel’s back.”

Kay Boycott, director of communications, policy & campaigns at Shelter, said: “These figures paint a worrying picture of the rising numbers of families who face a monthly battle to keep a roof over their head. As high unemployment and the rising cost of living continue to take their toll, more and more people are feeling the strain. Often just one thing like an unexpected bill can be enough to tip people over the edge and may put their home at risk.

“Getting advice early can help to stop things from spiralling out of control. Anyone worried about debt or housing costs should seek independent advice as soon as possible.”

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Notes to editors:

1. 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.
2. 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.
3. The CCCS free phone helpline 0800 138 1111 is open 8am to 8pm, Monday to Friday.
4. CCCS *Debt Remedy* is available at www.cccs.co.uk
5. Follow us on Twitter: @CCCSPressOffice

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