

Press Release

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Over five million households not saving enough

Leading debt charity Consumer Credit Counselling Service (CCCS) has said it is concerned about the low levels of savings of over five million UK households. New research commissioned for the charity by the Financial Inclusion Centre has identified 4.3 million households with no savings and 1.1 million households with savings under £1,000.

The charity says that people who don't have adequate savings are likely to rely on credit for unexpected purchases. This is backed up by recent research from the Department for Business, Innovation and Skills which found that 27 percent of households with no savings rely on credit for everyday expenditure 'all the time' compared to only nine percent with savings of £1,000 - £10,000.

The charity says that this can lead to a debt problem as low levels of savings are one of the main reasons that people fall into unmanageable debt and points to statistics which show that only 5.4 percent of people who seek help from it have any savings, and of those that do, their average savings are £5,334.

CCCS says that the situation will get worse as a range of budget squeezes such as high inflation, welfare benefit and tax changes as well as wage freezes will leave more people unable to save.

Delroy Corinaldi, CCCS external affairs director, says: "Low savings leave many families financially vulnerable and unable to deal with unexpected expenses without resorting to credit.

“Ideally, in addition to long-term savings, people should aim to have at least three to six months savings set aside as a cushion against an unexpected event.

“While not everyone is in a position to build savings, too many people are falling off a cliff as far as savings are concerned and more needs to be done to help people save and give themselves financial security.”

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Notes to editors:

1. The Department for Business, Innovation and Skills data can be found in Table A6 of the *Credit debt and financial difficulty in Britain 2009-10*
2. 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.
3. 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.
4. The CCCS free phone helpline 0800 138 1111 is open 8am to 8pm, Monday to Friday.
5. *CCCS Debt Remedy* is available at www.cccs.co.uk
6. Follow us on Twitter: @CCCSPressOffice

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