

**Press Release**

July 25 2012

**CCCS welcomes revised payday loan codes of practice but  
warns action must now follow words**

Debt charity Consumer Credit Counselling Service (CCCS) has welcomed revised Codes of Practice and a new Customer Charter published today by the payday lending industry, but warned that lenders must now translate their commitments into real change to business practices on the ground.

The charity said that while the Codes include many welcome commitments, several issues remain unresolved, including concerns over the treatment of borrowers in financial difficulty and the significant problem of lending to people with multiple existing payday loan debts. Of the 17,414 payday loan borrowers counselled by CCCS last year, 58 percent had more than one payday loan and a worrying one in 10 held five or more.

CCCS director of external affairs Delroy Corinaldi said: "This is a step in the right direction, but as with any code the proof will be in the pudding. We also need to see the industry take action to address multiple lending, which can lead consumers into a dangerous debt spiral.

"The government has done well to push the payday loan industry this far, but it needs to now keep the pressure up to ensure that this code is enforced, and that the industry's trade associations set up adequate monitoring and compliance procedures.

"If payday lenders keep to their word, debt charities such as CCCS should start to see a significant reduction in problems caused by this kind of lending. If we do not see the

difference by the New Year, then the case for tough regulatory action will be overwhelming.”

CCCS released figures this week showing the growing problem of ‘payday loans with no pay day’, with one in 20 unemployed people counselled by the charity last year having pre-existing payday loan debts that they were struggling to repay. A total of 1,243 unemployed clients (5.6 percent) held at least one payday loan last year, up from just 283 in 2009.

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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](http://www.cccs.co.uk)
5. Follow us on Twitter: @CCCSPressOffice

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