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February 4 2010

Press Release

CCCS statistics reveal steep rise in personal insolvencies

Ahead of the release of the insolvency statistics for Quarter Four 2009 by the Insolvency Service tomorrow, the Consumer Credit Counselling Service (CCCS) has published (February 4 2010) its personal insolvency statistics for 2009. Data from CCCS, the UK's leading debt charity, reveals a steep rise in personal insolvencies during the past year.

In 2009, CCCS recommended insolvency to 39,663 of its clients, with 20,659 people coming to CCCS for help with their debt problems being recommended bankruptcy, 11,877 Individual Voluntary Agreements (IVA) and 7,127 Debt Relief Orders (DRO).

This is an annual increase of 93 percent in overall insolvency recommendations with CCCS recommending insolvency to 20,516 of its clients in 2008. It is an annual 31 percent increase for bankruptcy with 15,724 people being recommended it in 2008 and 148 percent increase for IVAs with 4,792 being recommended it in 2008. DROs were launched on April 6 2009.

CCCS also welcomes the revised IVA protocol introduced this week by the Insolvency Service. It is expected that the amendments, which came into effect on February 1 2010 and must be used from May 1 2010, will result in fewer modifications and variations, leading to a more effective IVA process for all parties and ideally reduce costs.

Particularly welcome are two changes that clarify equity release and create a better framework for people who become redundant.

Commenting on the figures, Delroy Corinaldi, CCCS Director of External Affairs said:

“Although there has recently been positive signs in the economy, our figures highlight the high numbers of people with unmanageable debt, for which insolvency is the most appropriate solution.

“While CCCS expects to have to recommend insolvency to many people throughout 2010, it welcomes this week’s update to the IVA protocol as fewer modifications and variations will mean a smoother IVA process which is beneficial to those who choose it.”

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For further information, please contact:

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Notes to editors:

1. CCCS Voluntary Arrangements (CCCSVA) is a company wholly owned by the charity, the Foundation for Credit Counselling.
2. The Insolvency Practitioner is Jackie Westerman and the Chief Executive is Steve Nicholson.
3. CCCSVA has 43 staff; CCCS has 706. The charity maintains a Centre for Bankruptcy Counselling which offers a free and specialist service to its clients.
4. CCCS is a competent authority for the provision of Debt Relief Orders.