



News Release

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CCCS VOLUNTARY ARRANGEMENTS (CCCSVA) RELEASES 2008 FIGURES

CCCSVA today challenged other providers to match its transparent detail, as it publishes its statistics for 2008. A wholly owned subsidiary of Britain's leading debt charity, the Foundation for Credit Counselling, CCCSVA began offering IVAs in the second quarter of 2007.

The average level of debt among clients was £59,936. The average write-off by lenders was £34,691 (58 percent), which left clients paying on average £25,246 over five years, the equivalent of £421 a month.

The average cost to lenders of an IVA arranged by CCCSVA was £5,805. During the year, IVAs were recommended to 2.2 percent of the CCCS's telephone clients, and six percent of online clients; IVAs are only recommended by CCCS after an in-depth counselling session, including a full review of all the options. CCCSVA makes monthly payments to lenders.

Only 12 proposals put to lenders by CCCSVA in 2008 were turned down; more than ninety-seven percent of the total number of IVAs applied for were approved. The 403 clients who agreed an IVA with CCCSVA represents just over one percent of the 38,898 IVAs agreed in 2008.

CCCSVA does not approach clients directly: its clients have come to CCCS for advice about their debt problems. In their case an IVA will have been the most appropriate possible solution.

Quarterly breakdowns

	Meeting of Creditors			
	Convened	Approved	Rejected	% Approved
Q1 2008	72	70	2	97.4%
Q2 2008	107	107	0	100.0%
Q3 2008	122	118	4	96.8%
Q4 2008	114	108	6	94.8%

	Financials			
	Average contribution	Average dividend	Average write-off	Average cost of IVA
Q1 2008	£417.54	34.0%	£41,163	£5,597
Q2 2008	£411.99	35.5%	£34,624	£6,048
Q3 2008	£412.29	34.0%	£32,132	£5,451
Q4 2008	£402.19	37.0%	£30,843	£6,124

With 598 active approved clients CCCSVA's supervisory failure rate is less than two percent.

Announcing the 2008 figures, Malcolm Hurlston, chairman of CCCSVA and of the Foundation, said:

“CCCSVA was started in 2007 promising to bring high standards, lower prices and transparency. We are the only leading provider of IVAs to publish all our data and welcome public scrutiny. Today's publication is a challenge to other providers to match our transparency.

“We have brought higher standards to the IVA industry through our market presence and activities supporting the British Bankers Association and the Insolvency Service. The numbers we are publishing today demonstrate remarkable progress with pricing and transparency. The very low reject rate and failure rate clearly demonstrate the high quality advice and after care being provided to CCCSVA clients.

“Before the arrival of CCCSVA the average cost to lenders was estimated to be close to £7,000. Our average price in 2008 was £5,805 and, but for the

intervention of intermediaries acting for lenders, our price would have been lower. In 2007, before they started intervening, our average price was £5,400.

“We release quarterly and yearly all the necessary figures to maintain transparency. In 2010 we are considering publishing the names of lenders who reject IVAs that in our view are compliant.

“The IVA is an important part of the armoury of support for lenders and debtors in need of a way forward. It is our aim that it should have its rightful place among the solutions and we shall continue to strip out cost and improve standards.

Our numbers are increasing. Our counselling approach is only to offer IVAs to the most appropriate clients.”

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For further information, please contact:

Frances Walker or **Tom Howard** on 0207 636 5214 or 07771 788 713 out of hours

Notes to editors:

1. CCCS Voluntary Arrangements 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 42 staff; CCCS has 644. The charity maintains a Centre for Bankruptcy Counselling which offers a free and specialist service to its clients. From April CCCS will also administer a new form of debt relief, Debt Relief Orders (DROs).
4. CCCS counselled 61,534 people* in 2008, for 4,500 of whom bankruptcy was a serious option. The Centre for Bankruptcy Counselling gave free and detailed bankruptcy advice sessions to 1,900 clients.

* Of those who contacted the charity via the telephone helpline