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Press Release

CCCS response to Government's proposal to consult on debt repayment plans

Commenting on today's publication of a joint consultation by the Ministry of Justice and the Insolvency Service on debt repayment plans, Malcolm Hurlston, chairman of the Consumer Credit Counselling Service (CCCS) said:

"We welcome the Government's intention to examine consumer detriment. A protocol will ideally cover the needs in the non-profit sector. But we would like to see controls on the pricing and marketing of the various debt management or repayment schemes currently proliferating across the for-profit sector.

"Such restrictions introduced in some states in America, including California have been shown to offer considerable benefits to the consumer.

"The charitable model of Debt Management Plans (DMP) was introduced to the UK by CCCS in the early 90s. It has proved incredibly successful. We have helped around 100,000 people to repay £1.15 billion to their lenders, with another £3 billion currently under management.

"Clearly this is a flexible and popular solution in non-profit hands."

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For further information, please contact:

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Notes for editors:

1. CCCS is the UK's largest debt charity. This year it expects to receive 300,000 calls to its helplines and carry out 170,000 counselling sessions.
2. A DMP is a voluntary, but structured arrangement, allowing an experienced debt counsellor to ring-fence a borrower's essential expenditure and then distribute any surplus income to lenders on a pro-rata basis. DMP mechanism enables those who can repay their debts to do so in a way that is cost-effective, flexible and fair to both the borrower and his creditors.
3. DMPs are offered by a variety of organisations, including for-profit debt management companies and insolvency practitioners. CCCS remains the largest provider, currently administering around 100,000 plans, estimated to be about one third of the total.
4. CCCS operates a dedicated free-phone helpline (0800 138 1111), open 8am to 8pm, Monday to Friday.
5. CCCS operates *Debt Remedy*, an online counselling service available round the clock at www.cccs.co.uk for those who prefer an anonymous option.

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