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Press Release

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15 billion data rows best at informing understanding of consumer over-indebtedness

Data from the Consumer Credit Counselling Service (CCCS) has been identified as the best at informing the understanding of consumer over-indebtedness. This is according to a new report by Professor Richard Disney and John Gathergood of the Centre for Policy Evaluation at the University of Nottingham, which looked into the feasibility of using individual level data on clients of CCCS as a dataset for analysing over-indebtedness.

The report found that individual-level data on consumer indebtedness collected by debt counselling agencies provides a rich source of information that is better than household surveys, the national accounts or data available from lenders. According to the authors, CCCS demonstrates best practice within the sector in data collection and holding.

The report, *Understanding Consumer Over-Indebtedness Using Counseling Sector Data: Scoping Study*, which was prepared for the Department for Business, Innovation and Skills found that:

- CCCS collects and holds high quality data on client 'balance sheets', incomes and expenditures, together with detailed data on the composition of client debts. Its data warehouse offers a large sample size with a healthy time-series dimension.
- CCCS data is highly usable for statistical analysis. The data is coded and categorised on a consistent basis, and allows the researcher to transform the CCCS database into a dataset fit for statistical analysis with relative ease.
- Analysis of the Debt Management Plan dataset suggests that it offers a wealth of data at high frequency (monthly) with regular re-surveys of client financial and demographic information. It can be used to model the likelihood of lapsing from a plan, as well as micro-simulate changes in plan terms.

The debt charity's data warehouse contains over 15 billion rows of data which consists of information from nine million inbound phone calls, 770,000 clients and almost four million debts totalling £13.4 billion. Over 50 million records are refreshed each day.

CCCS Chairman Malcolm Hurlston said:

“Without the facts, it is easy for time and money to be wasted, by government and the private sector working on vague estimates.

“We expect to receive over 300,000 calls to our helplines by the end of 2009 and to have carried out 170,000 counselling sessions.

“Our large national sample should have huge value in informing understanding of consumer over-indebtedness and we make every effort to ensure the quality of this data.”

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Notes to editors:

1. About the report: This report provides a summary to the project commissioner; the Department of Business, Innovation and Skills, of a study which took place between August and October 2009 which sought to investigate the feasibility of using individual level data on clients of the Consumer Credit Counselling Service (CCCS) as a dataset for analyzing over-indebtedness. The study was undertaken by Prof. Richard Disney (Professor of Economics, University of Nottingham) and Dr. John Gathergood (Lecturer in Economics, University of Nottingham) in collaboration with CCCS. The study followed on from a earlier study conducted by Richard Disney, John Gathergood and Sarah Bridges (also a Lecturer in Economics at the University of Nottingham) on the causes of consumer over-indebtedness using U.K. household survey data, commissioned by the then Department for Business Enterprise and Regulatory Reform.
2. A copy of the report can be downloaded from the Centre for Policy Evaluation website: <http://www.nottingham.ac.uk/economics/cpe/publications/index.html>
3. CCCS expects to receive over 300,000 calls to its helplines by the end of the year and to carry out 170,000 counselling sessions, a 30 percent increase on last year. In the first six months of 2009, CCCS carried out over 37,000 online counselling sessions, almost as many as the 42,642 completed online for the whole of 2008.
4. CCCS is self-funding. Unsecured lenders share with the charity the benefit they receive from its operation, making a donation from the money repaid to them through debt management plans. This allows CCCS to retain its independence and ensure that its advice is always in the best interest of the client. CCCS aims to separate the “can’t pay” from the “won’t pay”.
5. The CCCS helpline number is 0800 138 1111 and is open from 8am to 8pm Monday to Friday. If you use information supplied by CCCS we would be grateful if you could include our helpline number in your article.

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