

Press Release

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Low incomes fuelling bankruptcy

Three quarters (17,605) of those recommended to declare bankruptcy by a leading debt advice charity earned less than the average wage. The findings were part of Consumer Credit Counselling Service's (CCCS) Debt Dashboard for quarter four 2010 which reviewed profiles of those advised bankruptcy as the best solution to their unsecured debt problems.

The review found:

- It would take 43 years for the average bankruptcy client to repay their debts
- The average debt of a CCCS client recommended bankruptcy is £31,000 with one in five owing more than £40,000 in unsecured debt
- Age is a factor as over half (45 percent) of people going bankrupt are over 40 with almost one in ten over 60
- On average, this group of clients earns just over £19,000 which is £7,000 less than the UK national average of £25,900

CCCS recommends bankruptcy only when suitable and after all other options have been considered. A client's property can be at risk of forced sale so the review found that, unsurprisingly, the majority (70 percent) rent their home.

Delroy Corinaldi, CCCS External Affairs Director said: "Overtime bans, wage caps and forced shorter working hours are limiting the ability to maximize income. As limited income is one of the key factors determining a bankruptcy recommendation so there is likely to be a further rise this year."

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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
5. Follow us on Twitter: @CCCSPressOffice

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