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## **Press Release**

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### **Debt – the emergence of two societies**

According to leading debt charity Consumer Credit Counselling Service (CCCS), lower income households (with net incomes of less than £20,000) are finding it increasingly hard to repay their debts. The average debt for CCCS clients with low incomes is £18,375 and many are trapped in a budget deficit, spending averagely over £113 more than they earn each month.

The figures were released in the CCCS *Debt Dashboard* for quarter three 2009. By comparison, higher income clients (with annual household incomes of more than £20,000) are better placed to repay their debts despite owing at least twice as much. Higher income clients owed on average £37,931 and had an average of £138 left at the end of each month after living expenses.

According to the latest *Debt Dashboard*, more people on lower incomes are coming to CCCS for help: 7,309 in September 2009 compared with 5,411 in January 2009. They make up three quarters of all CCCS clients.

Chairman Malcolm Hurlston said:

“A stark contrast is now apparent between low income households who are falling deeper into debt and higher income households who are coping while heavily indebted.

People on low incomes are flocking to us in ever larger numbers and we are

making sure we have the best ways of helping them.

“Higher income households with money for repayments also fall prey to for-profit companies who charge some £5,000 on top of their debts for a service available free and generally better in the charitable sector.

“There are now two societies of people in debt. We must aim to help them both.”

CCCS counselled over 75,000 clients by telephone in the first three quarters of 2009. Of these clients, 57,343 earn under £20,000 net per year.

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**Notes to editors:**

- *Debt Dashboard* is produced quarterly and based on data from over 100,000 people spread throughout the United Kingdom. It juxtaposes clients' levels of debt and their ability to repay against broader economic variables.
- 'CCCS clients' in this report are people who have received a full, in-depth counselling session from the charity.
- CCCS can be contacted on 0800 138 1111, Monday to Friday, 8am to 8pm. In addition, online debt advice is available through CCCS Debt Remedy 24 hours a day at [www.cccs.co.uk](http://www.cccs.co.uk)

**Media enquiries:**

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