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Press Release

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NORTHERN IRISH OWE LESS, BUT LOW INCOME STOPS REPAYMENTS

The over indebted in Northern Ireland are less able to repay their debts than in other parts of the UK despite having significantly lower levels of borrowing, according to the UK's leading debt charity, Consumer Credit Counselling Service (CCCS).

This information comes from a regional analysis of clients who started a Debt Management Plan (DMP) with CCCS last year. It is contained in the charity's *Statistical Yearbook 2008* published today (March 18). The CCCS service is delivered in Northern Ireland by the Limavady Community Development Initiative.

Although DMP clients in Northern Ireland owed considerably less than other parts of the UK, with average debt just under £18,000 (£17,990) compared with a UK average of £28,000, they also earned less. Household net incomes were 14 percent lower than in the UK as a whole.

This probably accounts for why CCCS clients living in Northern Ireland have the lowest levels of surplus income¹ with which to repay their debts: £165 per month compared with a UK average of £233.

Key findings contained in the regional analysis are:

¹ The amount of surplus income is what remains after clients have been through a debt counselling session which identifies what money the client needs to live and to pay priority debts such as rent, mortgage and utilities.

- The over-60s in Northern Ireland owe more than any other age group with an average debt of £20,601 compared to £19,900 for those aged between 40 and 59, £16,865 for those aged 25 to 30 and under £10,000 (£9,273) for those under 25. In other parts of the UK, it tends to be those aged 40 to 59 who have the highest levels of debt.
- People with mortgages owe 46 percent more money on unsecured debts than those who live in rented accommodation. This is considerably less than the UK average of 77 percent.
- Men owe 45 percent more than women: £22,180 for men compared with £15,200 for women. This trend is mirrored throughout the UK where men on average owe 46 per cent more than women.

In the UK as whole, CCCS is finding that people with debt problems are more affluent, better-off and owe less money (with the exception of the over-60s), but are finding it harder to repay their debts: in 2008 only about a third of clients (35 percent) were able to commit to a repayment plan (DMP) compared with 42 percent in 2007 and 46 percent in 2006.

Commenting on the findings Malcolm Hurlston, CCCS chairman said:

“It seems that that although people in Northern Ireland borrow less, wages simply do not stretch as far, making it extremely difficult to make ends meet and cover credit commitments too. External forces over which the credit industry has no control - including recession, unemployment, increases in everyday living costs, and falling housing markets - seem likely to compound these problems both in Northern Ireland and in the rest of the UK.”

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A copy of the *CCCS Statistical Yearbook 2008* is available for download from:
www.cccs.co.uk/statsyearbook/2008

A chart showing average monthly income and surplus of clients by region is attached.

Notes for editors:

1. The data in this press release was obtained from the 431 telephone clients who started a DMP with CCCS in Northern Ireland in 2008.
2. CCCS in Northern Ireland is run by the Limavady CPI, employing ? counsellors under Debbie Mills.
3. 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. CCCS aims to separate the “can’t pays” from the “won’t pays”.
4. CCCS Debt Remedy is available round the clock on www.cccs.co.uk. Telephone helplines are open 8am-8pm, Monday to Friday on freephone 0800 138 1111.