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Press Release

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SCOTTISH DEBT HELP HAMPERED BY HIGH DEBT-TO-INCOME RATIO

Scotland has the highest proportion of people with extremely high levels of debt in comparison to their income in the UK according to the leading debt charity, CCCS Scotland.

This information comes from a UK-wide analysis of clients who started a Debt Management Plan (DMP) with sister charity, the Foundation for Credit Counselling, last year. The analysis is contained in the charity's *Statistical Yearbook 2008* published today (March 18).

The main findings are:

- Almost 20 percent of Scottish clients have a debt-to-income ratio of 30:1 or higher
- Under-25s in Scotland have lower levels of debt than any other region: £9,104 compared with a UK average of £11,031.
- People in Scotland with mortgages owe double than those who are renting, an average of £20,000 more – the highest differentials in the UK
- Men in Scotland owe about just over a third more than women: £33,320 for men compared with £24,170 for women. This trend is mirrored throughout the UK where men on average owe 34 per cent more than women.

Generally across the UK, 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 DMP compared with 42 percent in 2007 and 46 percent in 2006.

Commenting on the analysis, Malcolm Hurlston, CCCS Scotland chairman says:

“Scottish people appear to be increasingly reliant on having to turn to credit to make ends meet, with little or no hope of being able to pay back what they owe on their current incomes. Many people in Scotland cannot afford to pay back their debts on a DMP, even if they want to.

“Soaring living costs are trapping consumers in an ongoing cycle of debt, as external forces over which the credit industry has no control including recession, unemployment, a falling housing market, and particularly increases in the costs of everyday living, are compounding the problem of debt.”

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A chart showing the debt to income ratio by region is attached.

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

Notes for editors:

1. The data in this press release was obtained from 548 telephone clients who started a DMP with CCCS Scotland in 2008.
2. CCCS Scotland was established in Glasgow in 1996. Lord Foulkes MSP, PC, is Patron. The charity currently employs 12 counsellors under

managing counsellor Liz McVey. It offers telephone and face-to-face counselling and can help with advice packs, guidance on budgeting and better money management, as well as debt repayment plans, trust deeds and bankruptcy where appropriate. CCCS Scotland does not charge for any of its services.

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 pay” from the “won’t pay”.
4. CCCS Debt Remedy is available round the clock on www.scottishdebtline.co.uk Telephone helplines are open 8am-8pm, Monday to Friday on freephone 0800 138 1111.