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Press Release

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RECESSION HITS HARD ON WELSH OVER-60s

Those aged 60 and over who live in Wales have one of the highest levels of debt in the UK of any age group according to the UK's leading debt charity, Consumer Credit Counselling Service (CCCS). Overall, Welsh debtors owe more money relative to their income than any other region except Scotland.

This information comes from a regional analysis of clients who started a Debt Management Plan (DMP) with CCCS last year and which is contained in the charity's *Statistical Yearbook 2008* published today (March 18). The launch was hosted by Rt. Hon. Alun Michael MP, chairman of the charity's Welsh Advisory Committee.

The main findings are:

- Average debt of the over-60s in Wales is almost £36,000 (£35,947), this is the second highest level of debt in the UK, after the south of England, in comparison to over-60s in Northern Ireland who owe the least, at £20,601
- Overall, Wales is the fourth most indebted region in the UK with average debts of £29,024 per client
- Seventeen percent of clients from Wales have a debt-to-income ratio of 30:1 or higher, the second highest level in the UK after Scotland at 19 percent

- Clients from Wales are the second most likely to have a high number of debts, with 5.7 percent having 16 or more, after the South West where levels are at 6.1 percent
- People with mortgages owe 89 percent more money than those who live in rented accommodation. This is higher than for the UK as a whole where on average homeowners owe 77 percent more money than renters.
- Men in Wales owe about one third more than women: £34,012 for men compared with £24,778 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 findings Malcolm Hurlston, CCCS chairman said:

“Worryingly, it is the older generation in Wales who seem set to suffer the worst effects of this recession. With interest on carefully hoarded savings reduced to minimal rates and pension funds slashed, it seems likely that pensioners in Wales will find it increasingly difficult to make ends meet when faced with soaring living costs.

“External forces over which the credit industry has no control including recession, unemployment, increases in the costs of everyday living and a falling housing market seem likely to compound these problems in Wales as in the rest of the UK.

“This is a trend which I fear will continue for the foreseeable future.”

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

A table showing average debt by age group by region is attached.

Notes for editors:

1. The data in this press release was obtained from 1,155 telephone clients who started a DMP with the Wales Centre for Credit Counselling in 2008.
2. The Wales Centre for Credit Counselling opened in August 1997. It currently employs 12 counsellors. It offers face-to-face or telephone counselling and can help in a variety of ways: advice packs, guidance on budgeting and better money management, as well as debt repayment plans, IVAs and bankruptcy where appropriate. There is no 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.cccs.co.uk. Telephone helplines are open 8am-8pm, Monday to Friday on freephone 0800 138 1111.