

Debt Advice Important For Struggling Borrowers



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Responding to news that total personal debt levels in the UK have risen over the past year, Debt Advisers Direct have warned of the dangers of getting into debt in this difficult time for the economy, and advised anyone who finds themselves struggling to repay debt to seek expert [debt advice](#).

New lending figures released by the Bank of England this week revealed that total personal debt in the UK stood at £1.458 trillion at the end of February - a rise of £34 billion compared with the previous year.

That means that despite increased caution amongst financial institutions with regard to lending, the average UK adult has taken on approximately £680 in additional credit over the past year.

However, Bank of England statistics also show that the rate at which personal debt is growing has slowed compared with February 2008, when the total increased by £111 billion compared with the previous year.

A spokesperson for Debt Advisers Direct commented: "A £34 billion increase in total personal debt may surprise some people, given the relatively cautious nature of the lending industry over the past 18 months, even though it is only around a third of the levels seen in the previous year.

"On the one hand, it may suggest that the market for loans and mortgages is not as difficult as many people believed. Lenders have still issued a relatively large amount of money in the past year.

"On the other hand, it could also indicate that people are making more use of the credit they already had. For example, whereas people may have used their credit cards and overdrafts sparingly in the past, many people who have been put under pressure by the economic downturn may have found it necessary to spend more on credit.

This is fine in the short term, so long as those debts are repaid, but if the borrower can not afford to repay those debts in full, then the situation can become more serious."

The spokesperson added that consumers could benefit from avoiding getting into debt wherever possible, and ensuring that they promptly pay back any credit they do use.

"With more people currently at increased risk of redundancy or a reduction in income, it makes sense for people to ensure that their finances are well prepared for the future. For most people, that should involve reducing debts wherever possible.

"Of course, that is difficult for people whose finances are already stretched to their limits. We have seen massive rises in many essential costs of living over the last 18 months, which have led to many people falling behind on their commitments.

"That's where a professional debt adviser can help. There are a number of debt solutions that can help people in difficult financial situations to reduce their debts and make their monthly outgoings a lot more manageable. It's important that anyone who finds themselves struggling to repay their debts seeks [debt advice](#) as early as possible to prevent the problem from becoming any worse."

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