

British Banks Continue To Put Pressure On Customer Finances



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Author: Paul Culshaw

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According to recent data released by the Financial Ombudsman Service (FOS), banks are rejecting thousands of requests every month from customers looking for help with their finances.

The Financial Ombudsman Service, which is an independently run service that deals with complaints from consumers and businesses in the financial industry, revealed that 13,053 cases were brought to its attention from consumers looking for more leniency from their banks. Debt management and [IVA company](#) Debt Free Direct expect to see this number of complaints increase in 2010 as thousands of individuals sought debt advice with the company in Q1 of 2010.

Derek Oakley, Insolvency Director at Debt Free Direct comments:

"We are continuing to see an increase in debt help enquiries from individuals worried about their finances. For many of these people, overdraft charges are adding to their already stretched budgets. We would always recommend that individuals seek professional debt advice if they find themselves struggling to pay their bills each month."

Compared with just 2,800 similar complaints to the FOS in 2008, the 360 per cent increase in complaints may indicate the UK banking organisations are responding poorly to their customers needs during the economic downturn. In particular customers concerns include individuals in debt who are being charged fees on their overdraft

facilities or insurance policy holders who have not been paid out on their claims.

Although traditional legal routes for reclaiming money lost through overdraft charges have now ended, there are still ways in which individuals can claim this money back if they are in financial difficulties. With charges of up to £35 every time the overdraft limit is exceeded, such fees could be contributing to furthering levels of personal debt for many customers in the UK.

According to the Ombudsman service, many banks will ignore individual's pleas of hardship and refuse to suspend overdraft charges, renegotiate overdraft limits or restructure outstanding debts, despite this going against the industry lending code for personal banking. In the case of most complaints put forward to the Ombudsman, the customer will have already been refused a refund by their bank on any outstanding overdraft charges.

Debt Free Direct recommends the best course of action for anyone with financial worries is to seek professional, confidential debt advice. Many individuals may feel ashamed of their financial difficulties, but seeking advice is one of the first steps to becoming debt free.

They state, "Our aim is to suggest an effective debt solution for every individual using our Best Advice Model (BAM). BAM quickly and accurately analyses the financial information for each person and recommends the most appropriate, least drastic solution for them."

Debt Free Direct, the UK's leading Insolvency practitioners receive thousands of insolvency inquiries each month for debt advice. The company, which was founded in 1997 specialise in providing impartial debt advice and guidance for individuals in financial hardship.

Contact Details: Fairclough House,
Church Street,
Adlington,
Lancashire
PR7 4EX
0800 7813350

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