



## **Press Release**

07 April 2010

### **Household debt continues to rise**

Britons now owe more money than the value of the entire country's annual produce according to the latest figures from Credit Action. Average UK household debt including mortgages, is now £58,083. The typical adult owes £30,328 including repayments on their home - 132% of average earnings.

Total lending grew by £2.1 billion in February, down from an increase of £8.4 billion the month before. Secured lending was £1.6 billion higher, while consumer credit lending through personal loans and credit cards was up by £0.5 billion. Overall consumer credit lending stood at £225 billion.

Interest payments on all personal debt totalled £68.4 billion in the year ending in February, with each household paying an average of £2,716 in annual interest on its borrowings.

This means that the average family has to spend 15 per cent of its total income purely on meeting interest payments on the debt, according to research by PricewaterhouseCoopers.

David Rodger, Managing Director of Debt Advice Foundation comments: "The most worrying aspect of these latest figures, which show that Britain remains deeply in debt, is that many people are going to be tipped over the edge when the inevitable increase in interest rates happens."

"The industry needs to be preparing itself for the inevitable surge in demand and consumers need to start planning ahead now and deciding whether they could continue to afford their

variable rate mortgage payments if they were to increase substantially."

Those who need [free debt advice](http://www.debtadvicefoundation.org/help) can visit [www.debtadvicefoundation.org/help](http://www.debtadvicefoundation.org/help) or call Debt Advice Foundation on 0800 043 40 50 for free advice and support

## **Ends**

Further information:

Contact the press office on 0800 779 71 36 / 0788 973 60 44 or email [pressoffice@debtadvicefoundation.org](mailto:pressoffice@debtadvicefoundation.org)

## **Editors Notes**

### **About Debt Advice Foundation**

- Debt Advice Foundation's telephone helpline service is available six days a week on 0800 043 40 50, lines are open from 8am-8pm Mon-Fri and 9am – 5pm on Saturdays.
- Debt Advice Foundation is a registered charity, with the following objectives:
  - Provide free, impartial and appropriate advice to people with unaffordable debt.
  - Help people with debt problems to gain free access to solutions that will help them.
  - Promote the education of young people in money management so as to reduce the likelihood they will mis-use debt later in their lives.
  - Undertake or fund research to understand why problem debt happens and its effect on individuals, families and the wider UK economy.
  - To use this evidence to become a force for beneficial change within the credit and debt solutions industry and to work with government to bring about legislative change to benefit UK consumers.
- Debt Advice Foundation features on the FSA (Financial Services Authority) consumer website – Money Made Clear ([www.moneymadeclear.fsa.gov.uk](http://www.moneymadeclear.fsa.gov.uk)) and Direct Gov ([www.direct.gov.uk](http://www.direct.gov.uk)) as a source of free and impartial debt advice.