

Brits 'Taking Action' In Managing Debt

Millions of people are looking to reduce pressure on their finances as the new year gets underway, new research shows.

January 9, 2008 (FPRC) -- According to a study by MoneyExpert, some 2.6 million Britons are looking to transfer debts they accrued on their credit cards during the festive period. However, the financial comparison website claimed that the 6.6 million consumers who plan to stay with their card provider may see themselves coming under increased monetary pressure as 2008 progresses. It was suggested that these people could be paying interest on their Christmas purchases at an average of 16.82 per cent. Such a rate of interest may impact upon people's ability to service other demands on their spending such as loans, household bills and mortgage repayments.

The study also revealed that those between the ages of 25 and 34 are most likely to transfer credit on their plastic cards, with 13 per cent of people from this age group due to do so over the course this month. An estimated 15 per cent of consumers living in Scotland are due to shuffle their cards, in comparison to six per cent of residents in London. Seven per cent of people from the rest of the south of England, meanwhile, are looking to move credit card balances.

MoneyExpert went on to suggest that in "the most severe cases" those consumers who have ran up debts over the Christmas period are facing interest rates of up to 39.9 per cent. Such people who owe 2,000 pounds could pay 798 pounds over the course of a year. In addition, balance transfer fees were put forward as an expense that borrowers should keep in mind. Charging as high a rate as three per cent, those looking to shift may be paying out 60 pounds in fees.

Commenting on the figures, Sean Gardner, chief executive of MoneyExpert, said: "Credit card companies can expect a busy transfer season in January as millions of us wake up to the cost of Christmas before the new year financial hangover sets in. It is good to hear that people are taking action but worrying that millions will simply add their Christmas debt to their existing debt.

"Piling debt on [top of] debt is simply adding to the spiral of increasing financial trouble. People should be taking action to get their debt under control and the first step towards that is to cut borrowing costs." He added that paying off what is owed is the next step consumers should take although "transferring a balance is at least a start".

For a more competitive means of getting to grips with constraints on spending, a debt consolidation loan might prove to be of help. In taking out such a consolidation loan, consumers may be able to pay off various demands on their money, such as loans and expensive credit cards, quickly and effectively. This type of loan could also be useful in meeting the cost of utility bills. Last month, price comparison website uSwitch suggested that energy bills could have a "major role in any new year financial detox". And with some 12.5 million households reported to be losing out on the cheapest gas and electricity deals available, a debt consolidation loan with which to help make payments could be of assistance to many Britons.

Loan Arrangers provides a service where you can compare loans and find the cheapest rate to suit your needs. Secured Loans, personal loans & debt consolidation loans are all available, even with a bad credit history.

Contact Information

For more information contact Mark Dawson of Loan Arrangers (<http://www.loan-arrangers.co.uk>)

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