

## Report Shows Millions Of Brits Plunged Into Fuel Debt

*A newly-published study has shown that as many as 6.8 million Britons are indebted to their energy suppliers, with the recent price hikes enacted by all major providers likely to further exacerbate the financial strain of running a home.*

April 22, 2008 (FPRC) -- Carried out by price comparison and consumer advice service uSwitch, the report shows that 26 per cent of energy customers owed money to their energy providers, with an average debit of 114 pounds owed by these consumers. The firm asserts that this figure is just the tip of the iceberg, citing statistics from Ofgem which suggest as many as two million people are on debt repayment programmes due to the insurmountable cost of their utility bills.

For those struggling with utility bills, loan repayments, credit cards and other household expenditure, a consolidation loan may be of assistance in helping to take control of debt. By assimilating various repayments into one payment plan, consumers may find they are left with a smaller, more manageable outgoing each month.

Despite the current scale of the utility bill debt suffered by UK residents, uSwitch warns that this could become an even bigger burden in the future, with energy providers waiting to review accounts before increasing direct debits to ensure that the level of payment is correct. This could mean that many more people might soon receive confirmation that they too are in the red.

Ann Robinson, director of consumer policy at uSwitch, comments: "This issue has to be tackled now before it snowballs further. As well as the misery and uncertainty that debt can cause, owing money to an energy supplier can prevent consumers from being able to reduce household expenditure by moving to a lower cost energy deal. It is a barrier to switching and consumers cannot afford to have this option closed to them in today's economic environment ... Getting bills right becomes even more critical at a time of rising prices as there is a greater chance of customers being pushed into debt. I would urge suppliers to make debt avoidance a priority."

By increasing monthly direct debits immediately, people can reduce the likelihood that they will be left with an unmanageable repayment further down the line. Failing to do so could result in a dramatic increase in the number of people needing to sign up to repayment plans in order to manage the level of debt incurred, uSwitch predicts.

For those who wish to take advantage of a cheaper utility deal but are bound to their current supplier due to repayment constraints, a personal loan may be of use in providing them with enough equity to clear the debt, close their account and look for another provider.

UK residents may well find that increasing financial burdens are not just limited to utility provision, with Anna Sofat, director of the financial management service Addidi Wealth, commenting last month that many consumers are experiencing financial problems across a broad range of areas, with a lack of favourable mortgage deals for many people cited as a top concern and a principal contributor to today's "debt-ridden" society.

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