

## **Britons At Risk Of Involuntary Credit**

*With costs of living soaring in recent months, consumers have been warned of the risk of finding themselves in involuntary credit.*

June 29, 2008 (FPRC) -- According to credit information services provider Equifax, the recent hikes in the cost of food, fuel and energy could soon force consumers to resort to credit and personal loans in an effort to meet the costs of monthly outgoings.

Commenting on the phenomenon, Neil Munroe, external affairs director at the firm, explained that involuntary credit occurs when consumers simply cannot meet the financial responsibility of the inflated costs of living and turn to loans for respite, despite intentions to stay in the black. The group insisted that such a scenario has not occurred on a widespread level since the early 90s.

As such, Mr Munroe insisted that the noughties generation may well soon come to learn what those who survived the financial turmoil of the 80s and 90s already know: that it can be difficult to change personal financial situations in the short term should they go awry.

Equifax warned that the root causes of the need to resort to loans and other forms of credit can be manifold, some of which may be difficult for consumers to counteract.

"It could be caused by increases in living expenses, such as a rise in mortgage payments at the end of a fixed-rate deal. Or by a sudden change in personal circumstances that hasn't been allowed for in current credit commitments, such as redundancy, illness or separation or divorce," Mr Munroe noted.

Continuing, he said: "Obviously there is a proportion of the UK population who are already in quite severe debt, as numerous surveys report. But what various economic and financial services experts are also predicting is that there is a reasonable segment of the population who may suddenly find themselves struggling to keep up repayments."

In an effort to keep track of personal finances, the group urged consumers to obtain a copy of their credit report, as well as documenting their outgoings to identify any areas where savings could be made. For those who have found themselves unable to keep up with repayments as inflation grows and energy bills rise, taking out a debt consolidation loan may prove an effective way to get finances back on track.

The firm noted that keeping up with repayments is becoming increasingly difficult for a large number of people, with more than a third (37 per cent) of those interviewed in a recent study indicating that they had already fallen behind with their credit cards repayments. Nearly a quarter of respondents were said to have defaulted on a credit agreement.

Equifax concluded by noting that with around one in five people already seeing an increase in their monthly mortgage repayment contributions, problems in keeping up with financial obligations may be compounded further still.

In a report published at the beginning of this month, credit reference firm CreditExpert suggested

that many consumers are unsure of the true extent of their debt obligations.

All About Loans providing you with breaking debt consolidation loans news.

Visit their website where you can get the best rates on personal loans.

**Contact Information**

For more information contact Abbi Rouse of All About Loans (<http://www.allaboutloans.co.uk>)

**Keywords**

[loans](#)

[debt consolidation loans](#)

[personal loans](#)

You can read this press release online [here](#)