

## **Brits Shown To Have Higher Levels Of Unsecured Debt**

*The financial difficulty being experienced by Britons is on the rise, it has been revealed.*

August 4, 2008 (FPRC) -- In a recent study carried out by BankruptcyHelp and online finance site IVA, it was revealed that the average amount of debt people are in has increased over the last three months. At present, it was shown that the typical Briton has unsecured debt of some 9,090 pounds. Such a figure represents an eight per cent rise from data recorded in the same study conducted in April this year.

Due to facing rising levels of debt, it could be possible that consumers struggle more in managing demands for payment on borrowing such as personal loans and credit cards, as well as other monetary commitments such as utility bills, mortgages and transport costs.

However, it appears that financial difficulties are being felt most keenly by men, as males were revealed to have an average level of unsecured debt of 9,500 pounds. This is a rise of 13 per cent during the past three months from the previous study. However, men may not be alone in experiencing problems with debt as women are typically in the red by 8,670 pounds.

In a bid to combat their monetary difficulties, it was revealed that an increasing number of people are looking to file for insolvency. At present, five per cent of Britons - the equivalent of 1.9 million consumers - are shown to be considering applying for bankruptcy, up from the three per cent noted earlier this year. Men especially were shown to be considering this financial move.

The study also revealed that more people are considering applying for an individual voluntary arrangement (IVA), with numbers of those thinking about such an option rising by two percentage points to currently stand at seven per cent. An equal proportion of women and men are indicated to be thinking about IVAs.

Andy Davie, spokesperson for IVA and an author on debt, said: 'The credit squeeze has left people with far fewer options when trying to deal with rising unsecured debt. The usual avenue of remortgaging to pay off unsecured debts has been severely narrowed and the reduction of mortgage products available is leading many to consider formal insolvency.'

Meanwhile, Julian Donnelly, BankruptcyHelp representative, claimed: 'It would seem that men are generally falling into debt more rapidly than women as many try to maintain their traditional role as the family's main provider, at the expense of getting further into debt.'

He added that this could result in a 'knock-on effect' by causing a rising number of breadwinners to opt to file insolvency over the remainder of this year.

Those Britons who have had monetary difficulties in the past - but are wishing to avoid incurring the damage on their credit report that filing for insolvency can involve - might find that applying for a bad credit loan is advisable. By getting this kind of loan borrowers could discover that various areas of monetary demand can be met quickly, leaving them a single repayment to make each month. A bad credit loan might also be of help to those who have been the unwilling victim of identity theft after a

recent American Express study showed that some 43 per cent of people view this as the most pressing security issue.

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