

Rise In Costs Following Brown Premiership

The premiership of Gordon Brown has been consistent with consumers facing increasing financial difficulties, it has been reported.

September 22, 2008 (FPRC) -- In research carried out by MoneyExpert, it was revealed that since Mr Brown entered Number 10 Downing Street on June 27th 2007, people have seen a surge in the cost of various monetary products. And with the prime minister and the rest of the Labour party currently in Manchester for their annual party conference, the financial comparison website revealed that since he took over from predecessor Tony Blair, personal loans have become more expensive. Ahead of Mr Browns premiership, the typical rate of interest charged on an unsecured personal loan of 5,000 pounds stood at 8.6 per cent. Since he took up office, the average rate on such a loan has increased 0.8 per cent to 9.4 per cent.

Personal loans were not the only borrowing product shown to have increased over the last 15 months. In July 2007, the average credit card charged an annual interest of 18.36 per cent. However, this now stands at 19.66 per cent, the equivalent of an extra 39 pounds being charged each year on a balance of 3,000 pounds.

Following on from such increases in the cost of monetary products, consumers could also find that they develop more problems in keeping up with spending commitments such as loans, credit cards and utility bills.

Research from the financial comparison site also showed that fixed-rate mortgages have become more expensive. At present, a three-year deal has an annual interest of 6.51 per cent, a 0.39 per cent increase of the 6.12 per cent which was charged before the days of prime minister Brown. Consequently, the borrowing product has become 585 pounds more expensive over the course of a year on a typical 150,000 pound mortgage. In addition, the rates of interest attached to current accounts were revealed to have become less attractive since June 2007.

Commenting on the figures, Sean Gardner, director of MoneyExpert, pointed out that the financial markets have been in a state of '\Armageddon\' since last summer. He added: '\This is an illustration of how far we have come since the summer of last year. The cost of living has increased and its more expensive to borrow money too. No wonder the prime minister is under pressure - its inevitable that as some of the typical financial products get more expensive, more and more people feel the pinch. This is one of the clear signals that the credit crunch is definitely an everyman problem.\'

For those people who have concerns about their ability to manage their spending over the coming months, taking the time to search cheap loans may become more important than ever. By selecting this kind of loan, borrowers could find that they are able to meet various financial commitments quickly, leaving them with an affordable rate of repayment to make each month. Loans may be of particular assistance to those living in Northern Ireland after a recent Ipsos MORI study showed that 23 per cent of people in the region believe their personal finance situation will deteriorate over the next 12 months.

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