

Cash Strapped Consumers Shown To Be Struggling With Payments

As the credit crunch continues to munch on consumers, new figures show that an increasing number of Britons are finding that getting to grips with their spending is becoming an increasingly difficult task.

October 7, 2008 (FPRC) -- In research carried out by MoneyExpert it was shown that millions of payments have been missed on numerous areas of financial demand over the previous six months, in areas ranging from loans to credit cards. Overall, demands for payment on an estimated five million monetary-related bills were revealed to have been skipped in the six months leading up to the end of September. The price comparison site went on to report that during this period of time more than one out of ten (11 per cent) "cash-strapped" consumers have failed in making payments on personal loans, mortgages or credit cards.

And in having difficulties in managing the above borrowing commitments, it could well be likely that keeping up with other financial constraints could present a challenge for Britons. Indeed, such areas they may be struggling with - in addition to loans, credit cards and mortgages - could include utility bills, grocery costs, overdrafts and transport.

One particular area it appears people are having problems with keeping track are personal loan repayments. The firm reveals that in the six-month period leading up to September, more than 1.3 million Brits failed to meet a demand for payment. However, during the same length of time ending in January only 859,000 borrowers were unable to do this.

However, MoneyExpert went on to point out that as the current economic climate means more consumers struggle to manage their money, an even higher number of bills may not be paid in the months to come.

It was reported that making mortgage repayments could become an evermore difficult task, after Woolwich recently announced that it is to increase rates on their mortgage deals. MoneyExpert pointed out that the firm has raised interest on its three, five and ten-year fixed-rate deals by 0.35 per cent, meaning that those coming off an existing fixed-rate product will find their costs up.

Furthermore, an estimated four million credit card consumers - the equivalent of about a tenth of the adult population - were shown to have ducked out of making a payment on their plastic.

Commenting on the figures, Sean Gardner, director of MoneyExpert, said: "The credit crunch is having a painful effect on households who are struggling to meet their financial commitments. Interest rates may have been pushed down through 2008 but increased pressures from rising food and energy bills mean consumers are struggling to keep their heads above water. One late payment doesn't represent a financial meltdown but when it becomes a habit there's real room for concern. And the consequences, whether it's losing a service altogether or even ending up in court can be very serious indeed."

For those wanting an effective way of getting back on to a firm fiscal footing and making sure that demands for payment are met consistently, applying for a debt consolidation loan could prove to be

of assistance. By taking out this kind of loan, borrowers could find they can merge numerous monetary commitments into a single low-cost monthly repayment. Consolidation loans could be particularly advisable after Gregory Pennington urged people to make sure they only spend money on the essentials and save as much as they can as it is possible that food and inflation costs will rise.

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