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Beating the debt blues

Whitefriars Housing Group is warning residents to bite back at loan sharks and begin the New Year with a debt-free start.

Last year 160 Whitefriars' tenants lost their homes after failing to pay their rent.

The not-for-profit housing group, which has some 17,000 homes across Coventry, employs four specialist rent managers to help residents avoid the debt trap.

As Christmas bills land on doorsteps, Whitefriars is urging people facing debt to contact Coventry Citizen's Advice Bureau. It has also teamed up with CAB to bid for Government funding to increase the number of face-to-face debt advisers in Coventry.

Bal Basi works as a rent service manager at Whitefriars. She feels more should be done to help people avoid debt.

The 31-year-old said: "One of the most disappointing aspects of my job is evictions. Eviction is always our last resort and it means that all our attempts to talk to the customer and negotiate a reasonable solution have failed.

"However, the second disappointing aspect for me is the level of debt that our customers get into because of low incomes, difficulties in budgeting and limited access to credit."

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Research by Whitefriars reveals a correlation between customers missing a rent payment and specific expensive months. The cost of purchasing school uniforms in September and Christmas presents in December often sees customers struggle to meet the rent due.

Bal said: "A lot of people on benefits or low wages don't have access to high street lenders and have to rely on doorstep lenders and credit stores, consequently we still have people who miss their rent in order to fund Christmas and even school uniforms. Some store cards charge their customers nearly 30 per cent. Worst of all are doorstep lenders - they charge up to a massive 177 per cent.

"I find it appalling that in this day and age people are still having to access credit at such interest rates."

Whitefriars reduced rent owed by 19 cent last year. To build on this in 2006, it is appealing to residents worried about money to contact Whitefriars on 024 76767111 or their local housing office. Residents can contact Coventry CAB on 0845 1202 930.

Just under one in four people in the UK - or nearly 13 million people - live in poverty, according to the latest figures. Poverty is measured as below 60 per cent of the average disposable income.

Reflecting this, the city's Citizens Advice Bureau received more than 10,000 debt enquiries last year.

Mark Stanyer, bureau services manager at Coventry CAB, said: "We tend to find that a lot of debt enquiries start coming in at the end of January. This is usually when people discover that, following the expense of Christmas, they cannot meet their mortgage or rent payment.

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“Our advice to anyone worried about debt and their ability to make a repayment on a loan is not to ignore it. There are organisations such as ours who can help. We can sit down and draw up a financial statement to see what you can afford to pay and work out a plan of action.

“The first thing to do is ensure that you can meet the essentials such as your rent or mortgage and utility bills. If you have other payments which you cannot meet, then we can negotiate with lenders on your behalf and try to find a solution. We will try to agree that the interest on the debt will be frozen, which stops the problem becoming bigger.

“The other service that we offer routinely as part of our money advice strategy is to help maximise clients’ income. Often people aren’t aware of what benefits they are entitled too. We will sit down and ensure that you are receiving the correct amount of benefits and assist with claims and backdating where appropriate. We often find that a significant cause of clients’ problems in paying their rent is due to problems with Housing Benefit claims, which we are also able to assist with.

“Borrowing more money from doorstep lenders or on store cards isn’t the best alternative. We have an experienced team of specialist money advisers who can advise you on the most appropriate and effective way of tackling your debt problems, so please do get in touch with us.”

Coventry CAB, based in Market Way, Coventry, runs drop-in sessions every Monday and Wednesday between 10am and 2pm. On Tuesdays, Wednesdays and Thursdays it is appointments only, made, by visiting the open door sessions on the other two days. General advice is available by calling an automated telephone service on 0845 1202 930.

In addition to the main office, it also runs a number of outreach services at GP surgeries across the city, and in Hillfields for local residents. For details of these sessions, please either visit the city centre office or phone 0845 1202 930.

Ends

**For further information please contact Michelle Hallmark at The Bridge Group on
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