

# Debt advisers urge care with finances as consumer confidence falls further



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Industry: [Financial](#)

**Press Release Summary: Responding to recent research suggesting that the number of people who feel they are still managing well in the current economic climate has fallen, Debt Advisers Direct (<http://www.debtadvisersdirect.co.uk>) have advised the public to keep a close watch on their finances, and to seek expert debt advice immediately if they are unable to meet their financial commitments.**

Press Release Body: Responding to recent research suggesting that the number of people who feel they are still managing well in the current economic climate has fallen, [Debt Advisers Direct](#) have advised the public to keep a close watch on their finances, and to seek expert debt advice immediately if they are unable to meet their financial commitments.

**Mintel**, a leading market research company, have revealed that the number of people who see themselves as living comfortably or managing easily has fallen from almost two thirds (64%) in 2006 to just over half (51%) this year, as rising costs of living and the credit crunch put increasing pressure on peoples' finances.

The research also reveals a leap in those who feel money is tight, despite getting by financially - this figure rising from just one in four (25%) in 2006 to 39% this year.

A spokesperson for **Debt Advisers Direct** commented: "The fact that increasing numbers of people are feeling the pinch is to be expected, but these figures give an interesting picture of how people are actually coping with it at this time.

"What's interesting is that 51% of people still feel they are managing easily, which may seem a high figure to some, considering all the stories in the news at the moment," she continues. "But it's telling that the figure has fallen so sharply since 2006, which was a relatively good time for the economy."

The spokesperson went on to explain that the reported fall in confidence could be the first stage of a more significant downturn. "When the economy gets into trouble, the effects can take a while to filter through. Many people are still managing well following the buoyant economy of 2006 to late 2007," she says. "But as the problems begin to filter through – for example to homeowners struggling to sell their homes, consumers facing higher food prices and bills, etc. – we may well see more people's circumstances take a turn for the worse."

The report coincides with Nationwide Building Society's latest Consumer Confidence Index, which reveals that consumer confidence has taken a further fall, down 18% since July and down 43% since this time last year.

The **Debt Advisers Direct** spokesperson said: "Consumer confidence can be affected by things like the media portrayal of the economy, but a large part of it does come down to personal situations.

"Even those who have not been terribly affected by the credit crunch will have noticed how quickly the price of food and household costs are rising. And those people are quite right to be concerned about what the future may hold.

"We would advise everyone to keep a close watch on their finances at this time. Budget well, don't overspend, and try to save where possible. And if you do think you are getting into trouble with debt, seek expert help from a debt adviser.

"A debt adviser will talk you through your situation and help you to decide the best course of action. For example, if you have a number of debts that you are struggling to balance with your household commitments, a debt consolidation loan could help.

"[Debt consolidation](#) loans work by grouping all your debts together, so you only repay one creditor instead of many," she says. "Payments can be rescheduled over a longer period of time than the original debts, meaning payments are lower – which could be a useful way of freeing up extra money for your other living costs. But be aware that rescheduling your debt consolidation loan will probably involve paying more in interest in the long run.

"If you find you simply can't meet your payments, though, an [IVA \(Individual Voluntary Arrangement\)](#) or debt management plan might be more suitable. If you're unsure, as with any debt solution, speak to a debt adviser first."

**Web Site:** <http://www.debtadvisersdirect.co.uk>

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