

# Debt Advisers Direct say careful planning still key to surviving fuel poverty



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Industry: [Financial](#)

**Press Release Summary: Debt Advisers Direct welcome a planned Government scheme to help households that have fallen into fuel poverty, but have reminded consumers that there is still plenty they can do to help protect themselves against rising household costs.**

Press Release Body: As the Government prepare to announce a new scheme that is set to help the millions of households that have fallen into fuel poverty, **Debt Advisers Direct** ([www.debtadvisersdirect.co.uk](http://www.debtadvisersdirect.co.uk)) have welcomed the scheme, but have reminded consumers that there is still plenty they can do to help protect themselves against rising costs.

Fuel poverty is usually defined as when households are spending more than 10% of their total monthly income on keeping their homes adequately heated. In early 2008 it was estimated that around 4.4 million households in the UK were living in fuel poverty.

And with energy costs jumping up by as much as 30% with some providers, and with others set to follow, the threat of fuel poverty is increasing.

A spokesperson for **Debt Advisers Direct** said: "The rate at which energy prices are rising means that even families who would have previously considered themselves financially comfortable are beginning to feel the strain. Making compromises on other costs has become commonplace.

"Switching providers can help to bring costs down to an extent, but it might not be long before all providers raise their prices, which could mean sacrifices in other areas are needed.

"Ideally, consumers should be trying to put at least a small amount of money aside in a savings account every month. If prices shoot up unexpectedly, savings could be a very helpful financial safety net that could prevent people falling into debt."

The spokesperson said that the worst hit are lower-income families, who might not have the extra funds available for rising fuel costs. "For those on lower incomes, fuel poverty is a particularly serious matter. There is a choice: turn the heating off, or keep yourself warm and suffer the consequences. We have seen large numbers of people being pushed into debt because of energy costs."

The spokesperson followed that if consumers do find themselves struggling to balance debts with increasing costs of living, it's essential that they seek [debt advice](#) before the problem grows out of control. "There are a number of debt solutions that are designed to reduce monthly outgoings and simplify finances, which could be a great help in these difficult times.

"It could be a debt management plan, in which a debt adviser works with the owner of the debts and their creditors to work out a new repayment plan, usually resulting in lower monthly payments over a longer period of time.

"For some people, a [debt consolidation loan](#) is more effective – a new loan is taken out to pay off the existing debts, after which it is repaid in single monthly payments. Debt consolidation loans can also be set out over a longer period of time, so monthly payments will be lower, although the borrower will usually end up paying more in interest in the long run."

For more serious debts of £15,000 or over, an IVA (Individual Voluntary Arrangement) may be more suitable. If you are in debt but are unsure about how to tackle it, contact a debt adviser for further information.

**Debt Advisers Direct** are a debt management company based in Salford Quays, Manchester. They offer a range of debt advice and solutions, including debt consolidation, debt management plans and IVAs (Individual Voluntary Arrangements).

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