

For Immediate Release

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## **Cameron Call to Pay Off Debt – Get Advice First!**

In a widely reported early release of his proposed speech to the Conservative party conference, Prime Minister David Cameron, was reported to be due to say "*The only way out of a debt crisis is to deal with your debts. That means households – all of us – paying off the credit card and store card bills.*"

We are pleased that these comments were not included in the final speech as we believe it potentially could have led debtors to take steps against their best interests.

When addressing personal debt it is essential that any offers of payment are based on **affordability** and ensure that all essential needs are being met. Drawing up a detailed budget is the most effective way to do this.

It is vital that **priority debts** such as mortgage / loans secured on the home; rent; gas; electricity; council tax and fines are dealt with first. Paying your credit card at the expense of your mortgage for instance could potentially put your home at risk.

People who are struggling to deal with their debt should seek specialist **debt advice** from an agency that is **free, independent, confidential and non-judgmental**. Our website provides links <http://www.i-m-a.org.uk/how-to-access-advice.html> to such agencies. In addition some local councils also provide such a service.

They will help you to draw up a financial statement that accurately assesses what funds are available for your creditors. In addition they will help you to prioritise your debts and explore all the options available for dealing with

them, including holistic solutions such as Bankruptcy; Individual Voluntary Arrangements and Debt Relief Orders.

With incomes for many falling (including cuts to benefit for those most vulnerable) and unemployment rising, dealing with debts can be a challenge. The **need for quality, free debt advice** has never been greater. Unfortunately it is precisely at this time that cuts to local government and legal service budgets pose the greatest threat. We call on the government to recognise the need for such advice and guarantee sufficient funding to meet that need.

### **About the Institute of Money Advisers:**

We are a charitable company formed in June 2006, having previously operated as the Money Advice Association from 1984.

We are the only professional body acting solely for money advisers in England, Wales and Northern Ireland, and has over 1650 members drawn from right across the free (provided at no cost to the client) money advice sector.

Our strategic aims include developing professional standards, promoting free money advice and influencing policy and practice relating to personal finance

### **For additional information contact:**

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