

## PRESS RELEASE

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### FINANCIAL LIFELINE FOR UK HOUSEHOLDS HIDING CHRISTMAS DEBT

Thousands of UK households could be helped to tackle Christmas debt by taking the 'Cash for a Month' challenge in January, according to national charity *Care for the Family*. An accessible yet powerful tool for understanding spending patterns, the 'Cash for a Month' challenge can be undertaken in the privacy of people's homes, making it especially applicable to families in financial difficulty who are not yet at the point of contacting debt-counselling agencies.

Estimates suggest that we will spend an extra £1.6 billion this Christmas<sup>i</sup>, up 1.9% on 2009, despite a Bank of England poll<sup>ii</sup> which found that more than half of all homes surveyed already struggle to meet payments for credit card or other unsecured debts. One third of personal insolvencies that occurred in March 2010 were triggered by overspending during Christmas 2009<sup>iii</sup>, when the average UK household spent £665 on presents, food and drink, decorations and travel<sup>iv</sup>.

"Christmas is a magical time for families," says Katharine Hill, Director of Policy, Research and Development at *Care for the Family*, "but buying a tree, toys for the children and all the trimmings is expensive. Many parents find themselves giving into temptation and putting it on plastic, which can leave them struggling in January when the credit card bills start landing on the doormat."

"The 'Cash for a Month' concept is simple and effective," continues Katharine. "Using plastic is psychologically different to paying by notes and coins, as with cash we receive tangible evidence that money is no longer available to us. It's estimated that we spend a third more when we use credit and debit cards instead of cash<sup>v</sup>. For some families, this challenge has been the first time that they have noticed how much they actually spend each week."

*Care for the Family's* 'Cash for the Month' challenge has already helped more than 2,000 UK households to regain control over their spending by relinquishing their credit and debit cards for one month, in favour of cash. Cash is used for everyday shopping, while standing orders and direct debits remain unchanged. After signing up at [www.careforthefamily.org.uk/cashforamonth](http://www.careforthefamily.org.uk/cashforamonth), respondents are sent information and useful tips by email, over a four week period, to help them stay on track. New participants can sign up for the challenge on any date during the month of January.

ENDS

**Note to Editors:**

- **For all media enquiries and to arrange an interview with Katharine Hill**, Director of Policy, Research and Development at *Care for the Family*, please contact our press office:

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- **Care for the Family** is a national charity which aims to strengthen family life throughout the UK and help those facing family difficulties. Over the past 21 years, over 350,000 people have attended the charity's events, workshops and family-building breaks. Many more families find support through its resources and other initiatives – including stepfamilies, bereaved parents, families where children have additional needs, those parenting alone and those widowed young.

For more information please contact:

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<sup>i</sup> Verdict: "Christmas 2010 – the best Christmas for retailers since 2007," 18 October 2010

<sup>ii</sup> Bank of England: "The financial position of British households - evidence from the 2010 NMG Consulting Survey," September 2010

<sup>iii</sup> R3 (The Association of Business Recovery professionals): "Christmas Cheer Leads to Insolvency," March 2010

<sup>iv</sup> Kelkoo

<sup>v</sup> Credit Action