

News



January 2010

Special points of interest:

- *Regulator drops bank charges case*
- *Free laptop for families on low income*

Inside this issue:

Goodbye to cheques	2
NHS credit crunch stress helpline	2
House Prices rise	2
Laptop and Web Grants	3
Free mobile calls to Benefit Claim lines	3
What's on...	4

1 million pay mortgage or rent by credit card

A recent survey by Shelter reveals a disturbing picture that over a million people are taking desperate measures to keep a roof over their head.

The highest proportion of those who pay their rent or mortgage through credit card were from working class professions, but the poll also showed that middle/upper class are falling victim, with 4% of respondents saying they use credit cards in this way.

Many could find themselves facing homelessness this year because of their huge debts, especially as defaulting on credit card payments could trigger repossession in the worst case scenario.

The survey asked if respondents had paid their rent or mortgage by credit card in the past 12 months. 6% of those who were liable for the rent or mortgage said yes – suggesting a national figure of more than a million people.

The charity is issuing a stark warning to people about the dangers of using credit cards which could result in the loss of their home. Credit card companies have to recover their debts and are not subject to the same rules as mortgage lenders. Once they obtain a charging order on people's property, credit card companies can go back to the court for a possession order to force a sale to recover the debt.

Regulator drops bank charges case

Following the Supreme Court ruling in November 2009, the Office of Fair Trading (OFT) has decided to drop its case on the fairness of bank overdraft charges. Ruling that the OFT could not use part of the Unfair Terms in Consumer Contract Regulations 1999 to decide if bank charges were unfair.

The Financial Services Authority has lifted the stay on complaints, therefore the Financial Ombudsman Service (FOS) is now allowed to continue to deal with such cases.

For the full judgement see the Supreme Court website:
<http://www.supremecourt.gov.uk/decided-cases/index.html>

Goodbye to cheques

Cheques are to be abolished by 2018. The Payments Council Board has agreed to set a target date of 31st October 2018 to close the central cheque clearing system.

Cheque use has been in decline since 1990, and has fallen by 40% over the last five years, however there are still plenty of situations where cheques are used extensively.

The Payments Council said that over the next nine years it will seek to promote and explain existing alternatives; and where innovation and new options are required to ensure that they are put in place.

Chief Executive of the Payments Council Paul Smee said: "Customers aren't likely to see any immediate change as the target date is still a long way off. This announcement marks the start of extensive work that we need to do to ensure that everyone has a viable alternative, should the cheque clearing system close. We aim to be very transparent and we will continue to consult fully with all interested parties. There will be a critical review in 2016 when the Payments Council will decide whether sufficient change has occurred against agreed published criteria, to press ahead to do away with the cheque in 2018. There are many more efficient ways of making payments than by paper in the 21st century, and the time is ripe for the economy as a whole to reap the benefits of its replacement."

Debt facts & Figures Jan 2010

- *Every 11.2 minutes a property is repossessed*
- *2093 people are made redundant everyday*
- *£57,888 average household debt (inc mortgages)*

NHS credit-crunch stress helpline launched

The NHS has launched a new helpline designed to provide practical and emotional support for people who are worried about debt, housing and employment.

Callers to the NHS Stressline will receive information and advice from trained health advisers. If they are suffering from stress, anxiety or depression, they will be directed to a wider package of financial and mental health support.

The Stressline number is 0300 123 2000 and it is open daily from 8.00am - 10.00pm.

House prices rise by 5.9% in 2009

The figures released by Nationwide recorded a rise in house prices from 2.7% in 2008 to 5.9% by the end of 2009.

Free Laptop & Web Access—Home Access Grant

Home Access is a government drive which will help low-income families to get access to a computer and the internet to get online at home.

Low income families in receipt of certain benefits could qualify for a grant to buy a computer and/or a minimum of one years' internet access. The programme is aimed at those that need it most and targets families that do not have access to a computer or the internet at home.

The grant allows eligible applicants to buy one of the following packages:

1. Full package (a computer, one year's internet access, service and support)
2. A computer with service and support only
3. One year's internet access only

The government has made a grant of up to £528 available for low income families with children living in England; it's targeted at those without access to the internet.

So who's eligible?

- o Parents/guardians responsible for and living with children in years 3 to 9. This will normally mean ages 7 to 14.
- o It's for families with lower incomes. There are a number of tests for this, generally speaking if your child qualifies for free school meals or you receive income support, income-based JSA, child tax credit plus an income lower than £16,040, it's worth checking out.

The scheme is due to run for 18 months, but there is a maximum of 270,000 grants available, one per household.

For more information check <http://www.homeaccess.org.uk>

- £181m personal interest is paid in UK daily.
- Government national debt increases by £4385 a second
- 386 people will be declared bankrupt/insolvent today

Figures courtesy of Credit Action

Free mobile calls to Benefit Claim lines

Free phone calls for most people using their mobiles to claim benefits and pensions are announced by the Department of Work and Pensions. From the 18th January 2010, six of the biggest mobile phone network companies will no longer charge their customers for calls to the Department's 0800 Benefit Claim lines.

Currently 12% of UK households use only mobile phones and do not have a land line.



Sandford Park Offices
College Road
Cheltenham
Gloucestershire
GL53 7HX

Tel: 01242 224859
Fax: 01242 257996
Email: manager@glomas.org.uk
Web: www.glomas.org.uk

If you would like to receive our training programme and newsletters electronically, please let us know.

GLOMAS provides money advice expertise to voluntary and statutory agencies in Gloucestershire in the following ways: -

*We undertake **specialist casework** and can accept referrals of complex cases, especially those involving business debt.*

*Our **telephone consultancy** service is available on Mondays to Fridays from 9.00 a.m. to 5.00 p.m. to all agencies in the County. We can help advisers on a wide range of issues including benefits, bankruptcy, court procedures and consumer credit.*

*We offer a **training programme** on a wide range of money advice and welfare benefits topics.*

NEW - Gloucestershire Financial Capability Forum

We will be running a quarterly forum for those involved and interested in Financial Capability work.

Save Xmas & Energy Best Deal, we are again co-ordinating the current campaigns for the West Midlands.

For more information on the above please contact us.

What's on

Training Date	Course/Duration
9th February 2010 CANCELLED	ESA and the Work capability Assessment (1 day)
11th March 2010	Benefits and Tax Credits—an Essential Guide for Advisers (1 day)
22nd & 29th March 2010	Introduction to Money Advice (2 day)
20th April 2010	Benefits Up-date (Half day)

Other	Information
3rd February 2010	Financial Inclusion Day, Gloucester Resource Centre, Gloucester. For more information please contact Suzanne.Wigmore@bristol.gov.uk

