

Title:

Avoiding The Sound Of Jingle Bills

Word Count:

665

Summary:

The Commons Trade and Industry committee has stated that the recent rises in UK gas prices has lead to increased suffering by many of the most exposed groups such as the elderly and, "non-elderly vulnerable groups, particularly disabled people, whose difficulties in relation to fuel poverty have been known for a long time".

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Keywords:

Credit card, debit card, store cards, personal finance, personal loan, loan, unsecured loan

Article Body:

The Commons Trade and Industry committee has stated that the recent rises in UK gas prices has lead to increased suffering by many of the most exposed groups such as the elderly and, "non-elderly vulnerable groups, particularly disabled people, whose difficulties in relation to fuel poverty have been known for a long time".

A lack of gas supplies from Europe, and dwindling North Sea production has been blamed for the price increases by most of the major energy suppliers leading to average bills being put up by as much as 15% recently, with fears that costs are likely to rise even higher if the UK experiences a cold winter.

The Committee report also added that: "If fuel prices continue to rise it will be essential to provide further assistance to the elderly."

The news also appears to be bleak for many non-elderly or disabled groups, following research commissioned by Egg.

The results of research by the online bank Egg has shown that the average household monthly income is just £1,953 in the UK while the average monthly spend on bills is £888. After all bills and regular monthly costs have been

included, Egg calculated that the average Briton spends about 23 days a year, effectively without any money, and living on overdrafts and credit cards. A survey by YouGov earlier in the year found that 4 out of 5 people were not saving enough for a comfortable retirement, and personal debt was seen as a major factor for many in preventing future saving.

Egg suggests that a reliance on credit cards and poor budgeting are proving to be expensive for many consumers, who are currently borrowing to cover the shortfall at an average authorized current account overdraft rate of 12.6% and at an unauthorized rate of 24.3%. To add insult to injury, almost a third of consumers have been penalised by their current account provider during the last 12 months, at an average cost of £27.

The financial comparison site Money.net (<http://www.money.net.co.uk/>) has also recently warned that when finances are stretched to breaking point then store cards and unsolicited cheques sent by the credit card companies can be very seductive, "just to get through to next pay day". Money.net chief executive Richard Brown says, "We have always advised consumers to avoid credit card cheques like the plague. Many people have no idea that these cheques carry extra charges and do not work like the credit card in their wallet. It's unethical and irresponsible."

Mr Brown also feels that, "Store card charging structures also need to be radically reformed. The worst offenders are invariably some of the most prominent names on the High Street, and government watchdogs need to properly show their teeth and crack down."

Following the festive period overspend a lack of financial knowledge and inadequate budgeting skills can lead to a very poor new year. The growth in the number of financial products and advice can lead to an information overload and a fear of taking any action, however the organisations such as the BBC provide some useful sources of information and several financial help sites like <http://Money.net.co.uk> and Fool (<http://www.fool.co.uk/>) have sprung up in recent years to enable consumers to get over their financial phobia and easily compare the rates of credit cards, loans, bank accounts, gas and electric suppliers as well as other financial services.

Until statutory legislation is put in place to control rates charged for credit, and other financial services, consumers need to take control of their own personal finances. While little can be done by most to significantly increase their income, most people can reduce the amount of unnecessary spending that occurs on a continual basis through the use of over priced financial services.

Disclaimer:

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You are strongly advised to take appropriate professional and legal advice before entering into any binding contracts.