

## Individual Insolvencies Expected To Soar

### News Story

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In the second quarter of 2007, there were 26,596 individual insolvencies, this comprised 10,698 IVAs (Individual Voluntary Arrangements) and 16,258 bankruptcies.

With the cost of living increasing and interest rates reaching a 6-year high, uSwitch.com reveals that individual insolvencies could reach a record high of 112,588 by the end of 2007.

A spokesperson for uSwitch.com, the online price comparison and switching service, commented that the increase in individual insolvencies will also have an effect on consumers who are not in financial difficulties. Banks and credit card companies have been increasing their bad debt provisions over the last few years. They need to do more to lend responsibly and consumers need to borrow wisely and take responsibility for managing their own finances.

Typical household debt in Britain is currently increasing by £13 a day and the average amount of debt per household stands at £8,841 or £55,567, including mortgages. Many are struggling to manage bills due to rising interest rates.

uSwitch.com added that running a home today means that 44% of UK households require more than one breadwinner to maintain a good standard of living. This dependence on 2 wages to buy and run the family home means millions of households are doubling the risk of financial hardship should one of the breadwinners become unable to work.

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<http://www.financemarkets.co.uk/>