

Managing debt – with the ‘nice decade’ behind us

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Following Mervyn King’s warning that “the nice decade is behind us”, debt management company Gregory Pennington reminds borrowers that any major change in circumstance, whether personal or national, should prompt them to review the way they manage their debts. “Even in good times, managing debt isn’t always easy,” says a spokesperson for the company, “but the Governor of the Bank of England reminds us that those good times could be over – and that the economic worries of the nation will directly affect us all as individuals.”

For individuals, the actual transition from ‘good times’ to ‘bad times’ can be a particularly difficult period: “Many people have grown used to making monthly debt repayments that take up their entire disposable income. It’s a dangerous balancing act which can easily be upset by any change in their disposable income, whether it’s due to reduced income or to inflationary price increases.”

“Anyone in that situation today will remember 2008 as the year that demonstrated the dangers of over-commitment and the importance of considering the worst-case scenario before taking out credit. In the short term, however, they’re looking for an immediate solution to their debt problems – and for many of them, we believe our debt management plan may be that solution.”

Like any debt solution, debt management doesn’t exist in a vacuum. Creditors are all too familiar with the effects of the credit crunch and the uncertainty in today’s housing market. They understand that debt consolidation may no longer be an option for many people. At the same time, they understand that a debt management plan offers them something which insolvency doesn’t: complete repayment of all monies owed.

“From the borrower’s perspective, debt management can deliver the flexibility they’re looking for. Our clients depend on us to keep payments at an affordable level by renegotiating with their creditors if their disposable income shrinks. This is always a major benefit of our debt management plan, but the current volatility of the financial world makes it more valuable than ever.”

About Gregory Pennington

Gregory Pennington is part of the Think Money Group, one of the UK’s leading financial solutions providers. Think Money is headquartered in Salford Quays, Manchester, and employs around 600 employees to deliver a comprehensive range of debt, loan and banking solutions. It defines its mission as ‘To educate, rehabilitate and advise on all aspects of financial management’.

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