



E-mail News Release

“Signs of financial meltdown”

A record number have defaulted on debts during the longest recession in modern history but there are warning signs which people should ignore at their peril.

Said Phil Wood, managing director of Staffordshire based business rescue, recovery and turnaround specialists, BCR “The first sign is the loss of control of household budgets. If budgets cannot be measured then they cannot be managed. Most people nowadays have access to on-line banking with up to date records of all income and outgoings. It is imperative that people never become financial ostriches by ignoring bank and credit card statements; this is a sure sign of finances getting out of control.”

“Everybody gets bills, some more important than others and it is necessary to prioritise them when money becomes short. Many people appear to have more month than money but slipping into the red can lead to steep penalties. In a fairly substantial number of cases, financial Armageddon is brought about by external events such as redundancy or illness which can often lead right up to the edge of insolvency.”

The explosion in financial failure was predictable as a result of the huge boom and easy credit of past years and, therefore, it is little surprise that insolvencies have followed a similar upward trend. Most British households have less than two months of living expenses stashed away, so millions of people are literally just weeks away from financial collapse. According to Phil Wood, until people start living within their means, the personal financial meltdown will continue.

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