

Debt Advisory Centre says: take the 'ABC' approach to debt this Christmas

Thursday 6 December, 2012

Debt specialists at Debt Advisory Centre tend to see an increase in people asking for debt help immediately after Christmas. It can be a very expensive time of year, with presents, entertaining and food and drink to pay for. As a result, many people decide to pay for Christmas on credit - covering some of the cost using things such as credit cards, personal loans and overdrafts.

However, if you already have debt, borrowing more money for Christmas could 'break the bank' come January, as bills and statements start coming through the letterbox.

Many people face debt problems in January. They may have overspent over the festive period, for example, or had existing debts and put off dealing with them until Christmas was out of the way. Sometimes it's a combination of multiple factors.

When it comes to debts, it's crucial to get help at the first sign of trouble. For example, if you need to borrow money to cover the cost of your bills, you're taking on new debt to pay off existing ones, or you're making payments late, it's almost certain that your debts have become a problem. Relying on a credit card or loan to fund the cost of Christmas could in itself be a sign of financial problems.

When money's tight, budgeting for your unsecured debts can be tough. And at times like Christmas, the pressure to budget for all your costs can be even greater. [Debt Advisory Centre](#) recommends an easy-to-follow 'ABC' approach that could help you manage your debts during the festive season - and avoid facing debt problems in the new year.

1. Allow for essentials. When it comes to Christmas, there are all kinds of expenses it's likely you'll be thinking about: from the turkey and presents to decorations and socialising. But firstly, you'll need to think about what essentials need to be covered, e.g. rent/mortgage, food & bills, along with your unsecured debt payments. As long as these costs are safely taken care of first, any spare cash you have left over can be put towards your Christmas spending.

2. Budget carefully. Many people fall into debt problems when they lose track of everything they earn and spend from month to month. If you're worried about staying on top of your debts this Christmas, having a carefully planned budget in place should help you to see exactly where your money goes. It should also give you a good idea of how much you'll need to set aside for your essential outgoings, your debt repayments - and any Christmas expenses. Taking some time to go through your monthly bank statements and receipts could give you a clear picture of where you stand.

3. Cut back on Christmas - and be realistic. Borrowing some extra cash over Christmas may be tempting. But when January arrives, having debts to repay on top of all the new year's bills could put some serious pressure on your finances. Instead, why not identify areas where you can cut back on your Christmas costs, or if you have any savings, use some of them to safely afford your outgoings without turning to further debt.

A spokesperson for Debt Advisory Centre commented: "The pressure is certainly on to spend money over the festive period, and if you have existing debts, taking on another loan or adding more debt to your credit card could lead to your debts becoming completely unaffordable.

"Our 'ABC' approach to debt provides three simple steps that you can follow this Christmas to help you make sure you don't start 2013 with any financial regrets.

"Of course, this kind of approach is only suitable for people who can still afford payments towards their unsecured debts. We strongly urge people with any financial worries to seek advice. Taking early action could help you to stop your situation getting worse - and find a way of improving it in the long term."

-ENDS-

Notes to Editors

The Debt Advisory Centre offers expert debt advice, as well as a range of debt solutions for people facing financial difficulties.

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