

Debt Judgments hit 10-year High

News Story

The number of County Court Judgments (CCJs) against consumer debtors has reached its highest level in almost 10 years, figures show.

Nearly 250,000 CCJs were issued in England and Wales in the first three months of 2007 - up 9.5% on the same period a year ago.

Lenders were "increasingly using the court route to deal with unsecured debts", the Registry Trust said.

Experts said the data also showed more households were struggling financially.

The 247,187 CCJs issued for consumer debt is the highest since the summer of 1997

The total number of judgements issued - including those served on businesses - was 296,841, up 9.1%.

'Dominant trend'

About 70% of the consumer CCJs were directly linked to credit, according to an estimate by the Registry Trust, which collates the data.

Organisations such as the HM Revenue & Customs and water firms issued many of the others, it said, as did the Swansea-based Driver and Vehicle Licensing Agency which takes out CCJs for non-payment of road tax.

Debtors not complying with the terms of judgements are put on a CCJ register for six years, making it more difficult for them to take out loans or mortgages.

"The dominant trend is upwards in consumer judgments and this quarter's record numbers give a warning to unsecured borrowers that their credit ratings are at risk and further proceedings are only a step away," said Malcolm Hurlston of the Registry Trust.

Throughout the 1990s, judgments declined as the economy improved and lenders turned away from the courts.

The latest data also showed a 12% growth in the number of searches of CCJ registers.